HISTORY of BANKING In FLORIDA

1828 — 1954

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by

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Foreword

by

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How This Book Came To Be Written

Much has been written concerning the history of Florida—history which was in the making before colonization of the rest of our country began. Very few of these works, however, gave more than passing notice to the financial and banking development of our state.

Economic and banking development of Florida lagged for many years after the first settlers came but since the turn of the century the rate of growth has far surpassed almost every other state in the Union. Despite this recent accelerated rate of growth, Florida is still regarded as America's last frontier.

Important records of early banking in Florida are rapidly disappearing and many essential facts and memories are lodged solely in the minds of some of the pioneers who are passing from the scene with the inexorable march of time. Realizing the importance of correlating and assembling all pertinent material together in one comprehensive history of banking in Florida, the Executive Council of the Florida Bankers Association in mid-1954 authorized and sponsored the writing of this important book.

In my opinion, the author chosen for this study, Dr. J. E. Dovell, of the University of Florida, has done an outstanding job of writing and research in producing this volume. He has successfully encompassed the financial and banking history of Florida from its earliest beginnings to the present day.

Our association is indebted to Dr. Dovell for his interest and devotion to the task of producing this history of banking in Florida.

TO

W. G. Carleton and M. J. Dauer

For Encouragement in the Scholarship
of Research and Writing

Preface

In the publication which follows the author has undertaken the composition of a history of economic activity and commercial banking in Florida from the earliest settlement to the present time. Much detailed information was obviously omitted for lack of space. Further, the information for many years and for many phases of the subjects are incomplete or unavailable. None the less, hope is expressed that enough facts have been presented to give a record, not earlier published, that will present a story of banking development in the State. Some attention has been devoted to banking laws since the national and state statutes usually represent the legislative sentiment toward the control of banks in any particular period.

For assistance in the preparation of this volume the author wishes to acknowledge his great indebtedness to Professor James G. Richardson with whose help the study was begun and without whose help several of the latter chapters would have been incomplete.

For securing materials, reading manuscript, and helping in many other ways the author is indebted to Mr. Julien C. Yonge and Mrs. P. F. Skofield of the Library of Florida History at the University; Mr. Comer J. Kimball and Mr. Ernest G. Gearhart, Jr., of the First National Bank of Miami; Mr. Floyd M. Call, Executive Manager of the Florida Bankers Association at Orlando; Mr. Wilson O. Boozer of the Citizens Bank of Gainesville; Mr. C. B. Outen of the First National Bank of Gainesville, and Mr. W. R. McQuaid of the Barnett National Bank of Jacksonville.

To my wife, Lois, and my children, Alma, Adrian, Beth, and Catherine, go my thanks for help and understanding when the "history" came before many pleasures of family life during a long summer and a longer fall.

Gainesville, Florida, January, 1955.

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ECONOMIC ACTIVITY IN FLORIDA: 1513-1821

1. FIRST SPANISH PERIOD: 1513 - 1763

For three centuries following the discovery of Florida in 1513 there was no institution or organization of a character that would be presently recognized as a commercial bank. The first bank, the Bank of Florida at Tallahassee, was chartered in 1828. There were, however, organizations and institutions which carried on public and private business during the three hundred years of Spanish and English occupations of Florida. The financial history of the state in these periods can be related through the story of the commercial operations of public and private agencies before American acquisition in 1821.

On March 20, 1565, Philip II of Spain issued an *asiento* to Pedro Menendez de Aviles to conquer Florida at his own cost.[1] Under the terms of the contract *(asiento)* Menendez agreed to underwrite the new colony with financial contributions for which he received a large land grant and a monopoly of the colony's maritime trade.[2] Philip and Menendez intended to establish a colonial system in Florida similar to those which were then existent in the other Spanish colonies of the New World, a system that recognized a compromise of private enterprise with government regulation of trade.

The death of Menendez in 1574, however, forced the Spanish Crown to reconsider the future of the Florida colony. In nine years the governor had carried out an aggressive program with the personal cooperation of the king. The king was faced with the dilemma of abandoning the colony or supplying another plan of operation. The Crown decided that the proprietary principle would be replaced by royal subsidies for the maintenance of the military and naval establishments at St. Augustine. Florida would be held as a base from which armed forces might operate against pirates and buccaneers endangering Spanish maritime commerce, especially in the Bahama Channel along the Florida coast.[3]

The financing of the new program was arranged through an annual subsidy, known as the "situado." Each year one or more ships were sent from St. Augustine to Vera Cruz, Mexico, where the subsidy was collected and supplies such as military equipment, clothing, and foodstuffs were purchased. The system was never satisfactory and when the ships were wrecked or captured the inhabitants were reduced to dire circumstances.[4]

The exploitation of the resources of Florida rested upon the productions from the soil, and the arable soils were not often found near the seashore settlements. Agricultural lands were usually too far inland to be defended by the forts of the coast. And, farming meant arduous labor. Heat and moisture were excessive when the crops grew and matured; wild animals and hostile Indians added to the hazards; and the Spaniards had neither the resources and experience nor the disposition to surmount such obstacles. Agricultural development was so disappointing that few of the Spanish governors sought to encourage agrarian measures. The first Spanish occupation did, however, introduce grape arbors, citrus plantings, and figs. The Spanish adaptability to native products such as corn and tobacco and to the fish and shell fish of the surrounding waters served to supplement the garden vegetables for the colonists' food supplies.

The outcome of the Seven Years' War in 1763 brought the transfer of Florida to the English. In return, the Spanish recovered Havana and Manila. In reality, two centuries of Spanish sovereignty in Florida had maintained an armed outpost and little else. Enough had been accomplished, however, to discover the resources of the future state and to lend direction to later policies which would make use of the potentialities of the land. Though the early Spanish contribution to American culture was indirect, the contribution was real and substantial.[5]

2. ENGLISH INTERLUDE: BEGINNING OF PRIVATE ENTERPRISE

By the Royal Proclamation of 1763 the English colonies of East Florida and West Florida were created. East Florida extended from the Apalachicola River on the west to the Atlantic Ocean and included all of the peninsula. West Florida extended west from the Apalachicola River to the Mississippi River with Pensacola serving as the colony's capital. To encourage settle-

ment in the new English colonies, lands were to be granted to settlers on very favorable terms.[6]

Under the terms of the Proclamation of 1763 the inhabitants of the new English colonies were provided with a framework of government similar to the other royal colonies in North America. The colonists were promised the resources of English law and the royal governors and councils were provided with the power to establish representative assemblies and courts of law; and to grant land to settlers, with lenient terms to veterans of the armed forces. British East Florida grew slowly; by 1770 there were 144 married men, 145 unmarried men, 900 negroes at St. Augustine, and 1400 settlers in the Minorcan colony at New Smyrna; by 1774 a thousand inhabitants resided in 300 houses at St. Augustine.[7]

Problems of Indian relations occupied an important place in the public and private activities of East Florida. Numerous conferences were held between government agents, traders, and Indians to establish settlement of boundaries and trade policies. The growing desire of the Indians for guns, powder and bullets, cloth and other articles of English manufacture was recognized in the colonial policy for the licensing of traders by the colonial governors.

By 1765 there were five licensed Indian traders in East Florida of whom the most important was James Spalding, the senior partner of the Georgia firm of Spalding and Kelsall. These businessmen operated several trading houses in the eastern province, particularly "Spalding's upper store" on the St. Johns River not far from the present site of Palatka. The trading activities of the Spalding interests were later absorbed by the house of Panton, Leslie and Company. William Panton, John Leslie and Thomas Forbes had migrated from Scotland to Charleston and Savannah and established a partnership whose stores extended from Sunbury, Georgia, to Lake George on the St. Johns River.[8] During the American Revolution, Panton and his partners moved to St. Augustine where the firm operated as Panton, Forbes and Company. By the end of the war, the firm, then known as Panton, Leslie and Company, was the largest concern engaging in the southern Indian trade.

Commerce in English Period

Perhaps the best measure of the success of the British endeavors in East Florida is found in the records of the commerce of the colony. In 1764, 32 ships entered St. Augustine; 31 in 1765; 36 in 1767; 52 in 1768; 56 in 1769; 50 in 1770; 30 in 1771; and 26 in 1772.[9] A majority of the ships were from Charleston, South Carolina, where goods to and from East Florida were shifted to larger vessels to the northern ports or to Europe. Most of the factors or agents who handled the Florida plantation and farm produce and, in turn, supplied the flour, pork, rice, hardware and Negroes, operated out of Charleston which served as the capital of commerce for the southern English colonies.

Exports of the two Floridas to England amounted to 22,335 pounds in 1774, while the Floridas' imports from England stood at 67,000 pounds in 1771. While no positive figure is available, probably half of this trade was with East Florida. The leading article of export from East Florida was indigo, encouraged by a bounty of four pence a pound. From St. Augustine indigo export rose from 6,000 pounds in 1770 to 28,000 pounds in 1771; 58,000 in 1776; 29,000 in 1778; and 125,533 in 1782.

The export of citrus products rose from 21 barrels of oranges in 1764 to 50,000 barrels in 1770 and 65,000 barrels in 1776. Other citrus exports included quartercasks of orange juice, hogsheads of dried citrus peel, and lemons and limes.[10] Export of rice reached 1,170 barrels in 1777. The skin and hide trade from St. Augustine retained modest proportions in comparison with other colonial ports. Lumber and naval stores exports rose gradually; by 1778, 8,000 barrels of tar and 2,000 barrels of turpentine left the colony. Trade and commerce rose rapidly in the early years of the American Revolution, at St. Augustine, but the overall total of commerce with England declined as the war ran its course.

The global war that had begun in 1778 between England and France, and of which the American Revolution was a phase, was brought to an end in 1783. In the peace negotiations the Floridas once again served as a pawn, being traded to Spain for English retention of Gibraltar.

3. THE COMMERCE OF THE SECOND SPANISH PERIOD: 1783 - 1821

The restoration of Spanish authority to the Florida colonies was accompanied by the migration of a majority of the English, though the evacuation of the provinces was not as complete as that of the Spanish in 1763. Estimates of the population at Pensacola after the British emigration are usually less than 300. Throughout the second Spanish occupation Pensacola remained an important but small frontier settlement. By 1791 the population of 567 people was composed of 292 white Catholics, 114 Negro Catholics, and 161 Protestants.[11] The resources of the town depended largely on the expenditures made by the Government for the support of the civil and military establishments.

Estimates of the population of East Florida in 1786 place the number at 1700. Of this, 450 comprised the military garrison, 214 were foreigners and domestics, 539 Minorcans, Italians, Greeks, and their slaves, 132 natives of Florida from the first Spanish occupation and their slaves, and 300 were other civilians in St. Augustine or rural settlements nearby.

The majority of the British residents who remained in the Spanish period were tradesmen, small farmers, and fishermen. Several men of standing and property should be noted: Francis Philip Fatio, John Leslie, Jessie Fish, and John Hudson. Fatio owned three plantations on the St. Johns, including New Switzerland with a twelve mile frontage on the river, and a large store and a house on the bay in St. Augustine.[12] John Leslie, a partner of Panton & Leslie, resided in St. Augustine where he directed East Florida affairs of the trading house. Fish was the owner of several properties, particularly a ten thousand acre tract on Anastasia Island, and oranges shipped from his groves were internationally famous for sweetness.

When the Spanish returned to the Florida colonies, after an interlude of twenty years, the earlier policy of maintaining the southern outpost as a barrier against foreign aggression on New Spain was continued in the support of the Floridas with an annual subsidy from the Crown. The independence of the United States, however, introduced a new element in Spanish foreign affairs. The United States encouraged the settlement of the Mississippi Valley frontiers, yet lacked the force to govern

the western sections and the westerners established their own rules of order and methods of enforcement.[13]

Panton, Leslie and Company

In the second Spanish period the officials encouraged commerce and settlement of the land in the hope that trade and residents would build the colony against American encroachment. Since there were no Spanish merchants, at first, the British traders were allowed to remain in the Floridas. Chief among the English traders, with headquarters at St. Augustine, was the firm of Panton, Leslie and Company. The Panton trading house had secured the friendship of the Indian tribes in the Floridas, central Georgia and Alabama and as far west as the Mississippi River. On the transfer of the Floridas to Spain in 1783 the Indians had called on Panton, Leslie and Company and had urged the British traders to remain. The departing English also sponsored the cause of the Panton partners and informed the Spanish that the company could be a stabilizing influence in preventing the red men from resorting to the Americans.

In 1784 the Spanish issued a temporary order which allowed the British traders to conduct their business as requested. The Spanish governor at St. Augustine made an immediate liaison with the partners who provided him with the goods and presents to satisfy the demands of the Indians who were then present at the colony's capital in anticipation of his arrival.[14] In the succeeding years the Panton partners, with the help of the Spanish governors and the Indian tribes, developed a business that approached the design of the British East India Company in commercial relations. From the time of the first order permitting Panton, Leslie and Company to trade in the Floridas until 1795 the company's stores extended from St. Augustine through St. Marks, Pensacola, Mobile, and up the Mississippi to Vicksburg and Memphis. At the death of William Panton in 1802 the company was reorganized as John Forbes and Company which held a virtual trade monopoly in the Floridas during the remainder of the second Spanish period.

The commerce of the Florida colonies from 1784 to 1822 is largely related in the story of the Panton partners. Tolerated for the purpose of furnishing goods for the Indian trade, the Company gradually built a mercantile trade with the residents

of the Spanish towns and settlements from St. Augustine to Mobile. While lesser merchants operated establishments at St. Augustine and Fernandina the trade of the settlements from St. Marks to Mobile were served only by the Panton ships which sailed in and out of Pensacola. The Panton partners imported the goods for the white inhabitants and their slaves and exported the goods from the planters, farmers, and traders with which the imports were bought for consumption or resale.[15]

Although the colonial law stipulated that imports would be restricted to goods for the Indian trade (guns and ammunition, blankets and cloth, war-paint and tomahawks) and exports to skins and hides, the Company also imported linen, velvet, lace, brocade, furniture, and coaches and exported lumber, naval stores, flour, and cotton.

The strength of the Company was demonstrated in its role as the supplier of meat and provisions for the garrisons of the military establishments; supplies obtained in trade with the Indians. In turn, the Company acquired land from the Indians in payment of old debts and served as a banker and factor to the resident planters and farmers with loans and credit for the purchase of slaves and promotion of agriculture. With the decline of Indian trade on the depletion of furs and skins as settlement advanced, the Company imported cotton gins and other machinery to develop new markets. In 1804 the Company's assets were reported at $400,000, a large sum for the period, of which $140,000 represented debts due the house from the Creek, Cherokee, Choctaw, and Chickasaw Indian nations.

In the end the temporary expedient of tolerating British merchants and traders was permanent. The Spanish toleration of the English traders in order to secure Indian friendship and maintain a barrier against the Americans to the north failed. The American invasion and acquisition of the Floridas was a result, in large part, of the Spanish commercial policy.[16] The marches of the Americans under Andrew Jackson across the Spanish Florida border were prompted by the grievances of the frontier settlers against Panton and other English traders to whose operations the Americans blamed their troubles at the hands of the Indians.

NOTES — CHAPTER I

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11. Michael J. Curley, *Church and State in the Spanish Floridas* (Washington, 1940), 137.
12. Joseph B. Lockey, *East Florida, 1783-1785* (Berkeley, 1949), 8-13.
13. Arthur P. Whitaker, *Documents Relating to the Commercial Policy of Spain in the Floridas* (DeLand, 1931), xx.
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15. *Ibid.*, lix.
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Chapter II

TERRITORIAL BANKS AND BONDS

1. PERIOD WITHOUT BANKS: 1822 - 1827

In the British period and the second Spanish period banking facilities and standard circulating media of exchange were virtually unknown. In the towns the merchants accepted the coin of the realm with which the Crown paid the officers and employees of the civil and military establishments. The sparse settlement, outside Pensacola, Fernandina, and St. Augustine, existed on a frontier subsistence economy under which the farmer, grazier, or planter sold his produce at one of the trading houses in the towns. He bought his supplies through the same house or other factors and commission merchants in the same locality. Even after the establishment of American dominion the agrarian producer conducted most of his transactions on an annual credit basis with the trading house or merchant providing the credit and carrying the balances on the ledger-books.

A review of the conditions that existed in the Florida of 1821 would show that after the departure of many of the Spanish there were less than 2,000 residents at Pensacola, approximately the same number at St. Augustine and less than a thousand more, excluding Indians, in all the rest of the territory. By 1825, at the time of the first state census, the approximate total population had risen to 13,554, and five years later in 1830 had more than doubled to a total of 34,730.[1]

FLORIDA POPULATION: 1825 - 1860

Year	*Approximate Total*
1825	13,554
1830	34,730
1838	48,831
1840	54,477
1845	70,000
1850	87,445
1855	115,000
1860	140,424

At the change of flags in 1821 trading establishments, such as John Forbes and Company, the successor to Panton, Leslie and Company, offered what approached banking facilities to the residents of Florida. With the influx of population in the first years of American occupation there was a marked increase in business activity and a demand for better credit facilities and dependable coin and currency. The development of farms and plantations on the Florida frontier gave rise to demands for local banks with the power to issue paper money and to extend credit to business and agricultural enterprises. As early as August, 1821, Governor Jackson sent Secretary of State John Quincy Adams a "Memorial to the President and Directors of the Bank of the U. States at Philadelphia, which has been generally signed by the respectable citizens" of Pensacola requesting the establishment of a branch of the Bank of the United States at that place. Jackson forwarded the memorial, and advised the creation of the branch at Pensacola, but no action ever resulted.[2]

The first session of the legislative council, which met at Pensacola in the summer of 1822, failed to take any action in regard to banking and money. By 1823 the problem of an adequate circulating medium was recognized by the editor of the *East Florida Herald*, who wrote on February 8th, that unauthorized notes, tickets, and cards of individuals had usurped the place of money in St. Augustine. The editor noted that $500 in quarters, and other pieces of change, plus "large sums in dollars and good bank bills" released by the Army Paymaster at St. Augustine had disappeared and been replaced by notes of the "Exchange Coffee House."[3]

Agitation for the establishment of a bank in the territory was reflected in the second session of the legislative council which met at St. Augustine in May, 1823. Delegates from East Florida presented a plan for a bank charter to the council, but the proposal was not acceptable to the delegates from West Florida and a bank for the territory was defeated. The need for a standard medium of exchange continued, however, and Ordinance Number 21 of the St. Augustine City Council, passed on August 12, 1823, provided for the issuance of bills to be signed by the mayor and countersigned by the treasurer. The ordinance authorized the issuance of notes in several denominations from 6¼ cents to a dollar, the total not to exceed $500,

and to be redeemed in bank notes then current in the city.[4] The following year the legislative council recognized the traffic in spurious currency with the enactment of a law that imposed a fine of fifty dollars on any person who circulated any bills or notes in the likeness of bank notes issued by a private individual or unincorporated company in the United States.[5] As a result of this law John Forbes and Company dropped operations in this field.[6]

The advocates of banking were more successful at the first session of the legislative council to meet at Tallahassee in 1824. A bill to establish banks of issue, loan, and deposit at Pensacola and St. Augustine was enacted into law by the council only to be vetoed by Governor William Duval. The chief executive believed that banks such as those proposed in the law were unsuited to the "genius and spirit of our free institutions." In his veto message he stated that the law contained no provision for charter forfeiture, for refusal to redeem notes in specie or for mismanagement, that the institutions planned would not be limited to banking, and that there were no limits on potential loans to the directors or any method for determining whether the issuance of notes would be within the charter limits.[7]

Again in 1825 banking became an issue in the legislative council when charters for the incorporation of institutions at St. Augustine and Pensacola passed the council only to be vetoed again by Duval. The Council passed the bills over the Governor's veto by a vote of six to three but a technical decision on the size of the majority rendered both charters invalid and neither of the banks went into operation.[8]

The insistent demand for territorial banks with powers to issue paper money and extend credit to planters in the expanding economy of the territory was continually opposed by Duval. The Governor believed that these proposed banks were unsound in principle and vetoed over a dozen bank bills. As late as 1833, after admitting the great need of a circulating medium, Duval informed the legislative council that "his repugnance to these charters sprang from a conviction that they were radically defective and that their operation would not benefit the community generally. If an institution could be established on suitable terms and under such ample security as to induce the investment of *foreign capital* in it, this paramount objection would

not exist. But to meet my approval it must be in fact as well as in name, truly the *Planter* Bank."[9]

2. MAJOR AND MINOR BANKS AND THE BONDS

During the 1820's the economy of the Florida Territory operated without local banks and local currency. Such paper money that circulated was in the form of the issue of banks in the states to the north, although doubt of the solvency of state banks made the bills' value a question-mark and contributed to their depreciation in exchange. In this period the Bank of the United States was the important financial institution although state banks served communities throughout the nation.

With the growth of the territory in the latter part of the first decade the fear of banks as "monopolistic corporations" began to subside. The settlement and development of plantations and the incident expansion of business and trade made the problem of currency and credit assume greater importance. The fabulous era of territorial banking began in 1828, quietly and without warning as to what was to follow. Pressures exerted by the planter and business interests to secure adequate currency and credit channels to meet the demands in the territory came to partial fruition when the legislative council of 1828 issued a charter to the Bank of Florida at Tallahassee. Duval, as was his wont, vetoed the bill, but the council repassed the controversial measure over the veto.[10]

The First Bank Charter

Some of the provisions of this first bank charter in Florida should be noted for their indications of the financial philosophy of the period. The Bank of Florida at Tallahassee was authorized to sell stock in shares of $100, not to exceed $500,000, although the institution could open for business when $40,000 in gold, silver or United States Bank notes had been received and, at that time the governor of the territory was authorized to purchase a hundred shares for the Florida government. Offices of discount were to be opened at Tallahassee, Pensacola, Marianna, and St. Augustine. The affairs of the bank were to be guided by twelve directors: six elected by the stockholders and six appointed by the Governor and the legislative council. Notes of the bank and all debts were limited to $400,000 over and above deposits. The charter set maximum interest at rates not greater

than one per cent for forty days and the bank was prohibited from merchandising at a penalty of treble the value of the goods involved. The charter also made the bank a depository for the funds of the Territory.

TABLE I*

BANKS CHARTERED IN FLORIDA: 1828 - 1850

NAME OF BANK	YEAR CHARTERED	AUTHORIZED CAPITAL
Bank of Florida at Tallahassee	1828-1829	$ 500,000
Bank of West Florida at Marianna	1829	200,000
Bank of St. Augustine (St. Augustine)	1831	300,000
Bank of Pensacola (Pensacola)	1829-1831	200,000
Central Bank of Florida at Tallahassee	1832	1,000,000
Bank of Magnolia (Magnolia)	1832	400,000
Merchants and Planters Bank of Magnolia	1832	300,000
Union Bank at Tallahassee	1833	1,000,000
Merchants and Farmers Bank of Florida	1834	....
Commercial Bank of Florida at Apalachicola	1833	500,000
Farmers Bank of Florida (Jackson County)	1834	300,000
Southern Life Insurance and Trust Company, St. Augustine	1835	2,000,000
Bank of Jacksonville (Jacksonville)	1835	75,000
Bank of St. Joseph (St. Joseph)	1836	500,000
Franklin Bank of Florida at Apalachicola	1837	1,000,000
Marine Insurance Bank of Apalachicola	1837	1,500,000
Apalachicola Bank (Apalachicola)	1839	....
Bank of Apalachicola (Apalachicola)	1839	500,000

* G. E. Lewis, *Florida Banks* (Tallahassee, 1942), 2.

In the legislative council session of 1829 the first charter was repealed and another substituted, again over Duval's veto. The second charter reduced the capital to $25,000 and debts over and above deposits to three times the amount of capital paid in. A territorial tax of three per cent of the bank's profits was levied in the charter, the stock being made exempt from all other taxes. "The checkered career of the institution is somewhat difficult to follow. The bank committee of the legislative council of 1837 reported that the management was a source of great complaint soon after the bank began business, the complaint being made that it was conducted exclusively for the benefit of the stockholders, and not for the public, '*for whose benefit it was chartered.*' The feeling against the bank induced

the council to examine the affairs of the institution in 1832 and the result was the chartering of another bank, the Central Bank of Florida at Tallahassee, to circumvent its operations."[11] The Bank of Florida reported a capital of $100,000 and a circulation of $50,000 in July, 1832. In 1833 the bank was absorbed by the Central Bank which, in turn, was absorbed by the Union Bank in 1838.

Reference to Table I will show that in the years from 1828 to 1839 the legislative council chartered eighteen banks. Of the eighteen, only three were of any major importance: the Bank of Pensacola, the Union Bank of Florida, and the Southern Life Insurance and Trust Company. At least six of the banks that received charters were never organized, several charters were purchased by other banks, and the remainder were of but minor importance during the few years of their operation. The actual chartering of these banks, and the proposal of a number of other charters, reflected the speculative mood of the territory and the nation. An act of the federal congress of 1836 recognized the "bank mania" and provided that any act of a territorial legislature incorporating a bank or company with banking authority would be invalid unless approved by the congress. The federal law specifically annulled several bank charters granted by the Florida legislative council that year and likewise affected others granted in 1837 and 1839.[12]

The action of the legislative council in chartering banks received the approbation of most of the voters of the territory. Ellen Call Long, the daughter of Governor Richard Keith Call, explained that a man could "mortgage his land or negroes; draw from the bank two-thirds (in money) their value which will be re-invested in more land and more negroes. One or two crops of cotton will redeem all obligation to the bank; so you see that it is the best thing afloat; a man can just go to sleep and wake up rich.

"Going to sleep, (remarked one), is a good suggestion, but unfortunately too many are wide awake, spending money in display, when the very shovel and tongs in the kitchen belong to the bank. But asleep or awake, there will be night-mares, with some, before they shuffle off the coil.

"Oh, no; the bank gives the greatest possible opportunity for relief. In a few years every man will be so independent,

that he will have a surplus of means to expend in public enterprise, and Florida will then become a State of which the Union will be proud."[13]

In later years the same writer remembered that: "You could mortgage your lands to the bank, draw out two-thirds of its value in money; consequently, negro traders flocked here with hundreds of negroes; hence commenced a devastation of forests. Dead timbers covered the land; belted trees, stripped of foliage, stood like the masts of ships, and before many withered, credit stopped; so there they lay rotting, mingling their poisonous exhalations with the ruin begot by the bank institution."[14]

The popularity of the council-created banks is evidenced by the number of charters that were passed over Duval's veto. As noted above in the case of the Florida Bank, the lack of paid-in capital reduced the operations of the banks to a very limited scale. The Acting Governor and Secretary of the Territory, James D. Westcott, Jr., reminded the council that the mere "erection of these institutions cannot create capital where there is none to spare, and this is the misfortune of Florida."[15]

The need for capital continued and the rising planter group conceived the idea of government support. In 1831 the legislative council petitioned the Bank of the United States to place a branch of that organization in the territory, but the effort came to naught. Failing to secure help from the national arena, the leaders of the council devised a scheme to use the credit of the territory to raise capital and finance private banks with bonds of the Territory of Florida. This plan had already been used in several southern states, but in no other territories. The development of a plan to furnish working capital by the Territory through the issuance of bonds guaranteed by the territorial government and sold for the benefit of private commercial banks was indicative of the frenzied financial policies, public and private, over the nation in the 1830's.

In the Florida Territory, the desire for capital and credit to underwrite the economy of the rapidly growing region was strong enough, along with the prevailing prosperity, to turn the heads of the wisest leaders in such a gamble with the territorial bonds. By 1843 the territorial government had issued $3,900,000 in territorial or "faith bonds" to three banks that were able to use the territorial credit as capital.[16]

The "Big Three" Banks

Among the numerous banks chartered by the territorial council only three, called the "Big Three," were granted the use of public credit. "The first of the 'Big Three' that gained fame was the Bank of Pensacola, which began in a small quiet way. It was chartered in 1831 over the Governor's veto, with $200,000 capital. Stock subscriptions were slow coming in and the bank did not actually open until November 28, 1833. Normal activity continued until February 14, 1835, when political green lights allowed it to raise its capital to $2,500,000. At the same time it was authorized to purchase $500,000 in shares of the Alabama, Florida and Georgia Railroad Company. The same amount of bonds were to be issued, guaranteed by the Territory. For every mile of road completed, a further issue of $10,000 in bonds was authorized. To secure the Territory, a lien was given on stock of both the bank and the railroad.

"This Pensacola firm thus became a 'railroad construction' bank. The avowed purpose of the whole scheme was to bring in outside capital for development purposes. Bonds were sold in this country, England and Holland. But the early high hopes of the venture faded when it was found that only ten miles of road had been graded despite advances of $259,000. The extravagant and poorly managed enterprise was necessarily abandoned. This failure, plus bad loans to other banks, caused a sharp discount in the firm's already discounted currency. By 1842 the situation was untenable and the Governor's message of January, 1843 declared the bank had ceased all operations. Considerable loss was taken by creditors and bondholders alike."[17]

The Union Bank

The second of these so-called "creatures of domestic ingenuity and foreign cupidity" was the Union Bank of Tallahassee, not only the largest but one of the most spectacular of the era. David Y. Thomas wrote in his "History of Banking in Florida," in 1907, that "of all the charters issued in the territorial days, this was the most fateful. The career of the bank was something like that of a comet, brilliant at first, but brief, and dark in the end. All that remains of it today is the old stuccoed building just opposite the post office where its business was carried on (in 1907 a feed store) and the voluminous records of suits in the

county archives, numerous unredeemed obligations, and a stain on the credit of the state."[18]

Although Duval had vetoed the earlier bank charters, the governor accepted the Union Bank as the true *Planter's Bank* organized to induce investment of *foreign capital* in a Florida bank. Duval had previously held that the territorial government was temporary at best and had not the authority to create corporations "of more indissoluble character than itself." James D. Westcott, territorial secretary, did not change as did Duval and as acting governor did what was within his power to stop the bank, and later made most profitable political hay in the banking debacle. Under its charter the Union Bank was capitalized at $1,000,000, with permissive authority to increase the capital to $3,000,000, to be secured from the sale of territorial bonds drawn to the institution's favor. For securing the bonds, a like amount of capital stock was to be offered for subscription to "land-owning citizens." Stockholders, in turn, could secure by twenty-year mortgages on their lands and slaves, two-thirds of the value of the subscribed stock.

This "real estate mortgage" bank was, in large part, the child of John G. Gamble, a former Virginian who served as its planner, organizer, and president. Subsequent operations proved the Union Bank to be largely a political creation which succeeded only with legislative assistance. The gigantic and fantastic manner of the bank's operation allowed a planter to subscribe for $3,000 worth of stock with a mortgage on lands and chattels for which the planter received a certificate for $3,000 in stock. The planter then pledged the certificate back to the bank and was allowed to draw $2,000 as a twenty year loan in the currency of the bank. The remaining $1,000 remained in the bank for ordinary banking purposes. Under this plan the borrowed stock was to be paid up when the planter redeemed the twenty year notes, which would then have allowed the bank to redeem the Territorial bonds.

"With the exception of a few carping critics the establishment of these banks was acclaimed by the people of Florida. Advocates of the Union Bank enthusiastically hailed its incorporation. Many of the settlers had bought land at prices ranging from $1.25 to $2.00 per acre. They wanted slaves to clear and cultivate their land and they eagerly availed themselves of the

facilities offered by the bank. The appraisers valued the uncultivated land at $5.00 per acre, other lands in proportion, and thus the advances from the bank were fifty and one hundred per cent more than the whole capital invested. Perhaps the appraisement was justified in view of the rapid growth in population of the country. Some years later, however, when it was determined to increase the capital to three millions, a ruinous course was adopted. By vote of the directors the old shareholders were given a preference in the appropriation of the new stock. Since the stockholders had no additional property to pledge it was decided to reappraise the former mortgages. This happened at a time when there was a feverish excitement for real estate in Florida. Thus lands which originally had been valued at $5.00 an acre and which had all the time remained totally unproductive, were now appraised at $15 and more an acre and the advance of the bank was raised to $10 per acre."[19]

Further chicanery was revealed in the statement of a Tallahassee resident who said that "planters occasionally 'worked' the appraiser. After showing him over one plantation and displaying the negroes, the planter would take the appraiser to his house, give him an excellent dinner and a generous serving of choice liquors. They would then proceed to another plantation where the same negroes were exhibited again answering now to different names."[20]

After the sale of the first bonds the Union bank opened for business in January, 1835. In the first year almost $350,000 was issued in currency under the mortgage plan. The panic of 1837, mismanagement, and other factors necessitated more money, and the remaining capital of $2,000,000 was created in bonds in January, 1838. Gamble sold some $1,300,000 of the bonds in Europe and the remaining bonds were hypothecated to the United States Bank for previous loans but were never sold. The increased capitalization took place despite the bank's suspension of specie payments in May, 1837.[21]

Even with the additional capital raised in 1838, the end of the Union Bank was in sight. Unable to further increase the capital the bank was not able to meet the interest payments on the territorial bonds and suspended such payments. Loans and uncollected obligations to favored borrowers, added to a large loss in the collapse of the land boom, facilitated the doom of

the bank. A congressional investigation of 1839-1840 brought forth much evidence of misfeasance and malfeasance but no corrective legislation. By 1842 the bank was practically closed and by legislative council act of 1843 suspended from banking.

The Southern Bank

The last of the three banks with public assistance was the Southern Life Insurance and Trust Company of St. Augustine. Territorial support of this concern, opposed in both Middle and West Florida, was something of a sop thrown those sections to gain the Union Bank and three million dollars in Territorial assistance for the Tallahassee institution. Unlike the banks already mentioned, the St. Augustine institution was owned largely by northerners. This firm was empowered to sell insurance, make loans, import, export, issue currency, develop timber lands, discount money, and other powers to the extent that the St. Augustine *Florida Herald* remarked the institution had "every power except that of killing Indians."[22]

The only difference between the Tallahassee bank and the St. Augustine firm, wrote a critic in the *Herald*, was "that one is for the benefit of a distant portion of the Territory, and the other a distant portion of the Union."[23] The St. Augustine bank's trust functions were especially distrusted and the firm was accused of speculating in land and currency. St. Augustine critics emphasized the latter point when the pole from a barber shop was moved to the front of the bank as the sign of a "shaving shop" where "They'll shave you so *close*, that you'll not need being shaved again *by them* for a long time."[24]

The original $2,000,000 capitalization of the Southern Life was increasable to $4,000,000, and by December, 1836 over $500,000 in specie had been paid in. The large capital was projected for use on long term loans for clearing and cultivating land. The anticipated increment in land values was planned as security on the loans of the Southern Life Insurance and Trust Company. Branches of the firm were opened in Jacksonville, Tallahassee, Apalachicola, and St. Joseph. From its extensive trading in cotton, Southern Life was called the "cotton bank," and many planters objected on the basis that this was unfair competition with the local cotton merchants. "By January, 1840 its note circulation was $50,000. From this rather sound begin-

ning, however, the bank deteriorated like the others into gross favoritism for a few at the expense of the many. By 1843 the bank had ceased operating. An assignment was made of its remaining assets and it never reopened."[25]

The smaller banks of the territorial period suffered much the same fate as the big three. The Farmer's Bank of Florida crossed the stateline and continued to circulate notes from Perry, Georgia. Most of the smaller banks operated for about two years although several never progressed beyond the charter stage. The 1836 act of Congress prohibiting the incorporation of territorial banks without approval of that body served to annul the charters of banks at St. Joseph and Apalachicola. Congress later turned down the charters of the Franklin Bank of Florida and the Bank of Apalachicola.

The bank question, agitated politically in the territory after 1823, became the leading question of the 1838 session of the territorial council and of the 1838 campaign for the election of delegates to the St. Joseph constitutional convention. The Whigs insisted that the "faith bonds" should be paid off and the Democrats sought repudiation of the "tainted obligations." The legislative council act of 1843 suspended the banking powers of the big three until the resumption of specie payments put the final period to their activities and was the official act of repudiation of the "faith bonds." Although foreign and domestic bondholders attempted to secure some settlement on the "guaranteed" bonds both the State of Florida and the United States government denied liability and no settlement of the repudiated territorial bank bonds was ever made.[26]

The history of the territorial banks has been briefly summarized, "but enough has been said to show their limitations and the gross mismanagement and even ignorance of their officials. The mania for speculation that was widespread at the period hastened their downfall. Political hostility undoubtedly was partly responsible for their failure, but it can well be doubted whether the population of the territory had advanced sufficiently to make more than very moderate banking operations successful. It would appear that one bank with the few branches necessary could have taken adequate care of all the business Florida offered at this time."[27]

In the Territorial Period there was a vast amount of uncultivated land in Florida. Many persons held large acreages under various types of grants or by purchase without means of improving their holdings. The chartering of the "real estate mortgage" banks through the issuance of Territorial Government Faith Bonds was the only method the political and business leaders could find for securing loans to those persons on terms that would allow the land owners to cultivate their lands. There is little doubt but that these territorial banks did enable many planters and farmers to put their land into production through recourse to the banks for loans. Credit must be given to the part played by the territorial banks in the development of the peninsula state from 1828 to 1840.

NOTES — CHAPTER II

1. Dorothy Dodd, "The Florida Census of 1825," *Florida Historical Quarterly*, XXII (July, 1943), 34-40; Roland M. Harper, "Ante-Bellum Census Enumerations in Florida," *ibid.*, VI (July, 1927), 45-52.
2. *Jackson Correspondence*, III, 111; James Parton, *Life of Andrew Jackson* (New York, 1861), III, 257.
3. *East Florida Herald* (St. Augustine), February 8, 1823.
4. *Ibid.*, August 16, 1823.
5. Act of December 22, 1884; David Y. Thomas, "A History of Banking in Florida," 4. Typed manuscript in P. K. Yonge Library of Florida History, University of Florida. Hereinafter cited as Thomas, "Banking."
6. Fred R. Marckhoff, "The Development of Currency and Banking in Florida," *The Coin Collector's Journal*, XIV (September-October, 1947), 118.
7. *East Florida Herald,* January 25, 1825, as cited in S. W. Martin, *Florida During the Territorial Days* (Athens, 1944), 144-145.
8. Caroline M. Brevard, *A History of Florida* (DeLand, 1924), I, 202.
9. J. O. Knauss, "William Pope Duval," *Florida Historical Quarterly,* XI (January, 1933), 122; *Journal of the Legislative Council of Florida, 1833, 3.*
10. *Acts of the Legislative Council of the Territory of Florida, 1828*, 265-274. Acts of November 19 and 23, 1828.
11. Thomas, "*Banking*," 7.
12. 5 *U. S. Statutes at Large*, 61.
13. Ellen Call Long, *Florida Breezes; or, Florida New and Old*, (Jacksonville, 1883), 84.
14. *Ibid.*, 209.
15. *Journal of the Legislative Council, 1832,* 82-83.

16. Kathryn T. Abbey, "The Union Bank of Tallahassee," *Florida Historical Quarterly*, XV (April, 1937), 207-231; Marckhoff, "Currency and Banking," *loc. cit.*, 118.

17. Marckhoff, "Currency and Banking," *loc. cit.*, 118; Abbey, "Union Bank," *loc. cit.*; Dorothy Dodd, "The New City of Pensacola, 1835-1837," *Florida Historical Quarterly*, IX (April, 1931), 224-241; James O. Knauss "St. Joseph, An Episode of the Political and Economic History of Florida," *ibid.*, V (April, 1927), 177-195 and VI (July, 1927), 3-20.

18. Thomas, "Banking," 19.

19. Reginald C. McGrane, "The Territorial Bonds of Florida," Chapter XI, *Foreign Bondholders and American State Debts* (New York, 1935), 227.

20. Thomas, "Banking," 22A.

21. Marckhoff, "Currency and Banking," *loc. cit.*, 120-121.

22. December 11, 1840.

23. *Ibid.*, May 19, 1838.

24. *Ibid.*, July 7, 1838.

25. Marckhoff, "Currency and Banking," 121.

26. McGrane, *Foreign Bondholders and American State Debts*, 223-244.

27. Brevard, *History of Florida*, I, 220.

Chapter III

BANKING BUSINESS: 1828 - 1845

INTRODUCTION

It must be pointed out that the banking and bank accounting terminology in use in the last century was much the same as at present. However, the nature of the assets and liabilities in these historical accounts has, in many instances, undergone considerable change.

1. CAPITAL

Historical accounts of the banking business of the territorial period are largely limited to the "Big Three" since there is virtually no information available on the minor banks. Because these three banks benefited from the public credit through the "faith bonds" which were subsequently repudiated, the Pensacola, Tallahassee, and St. Augustine institutions became the subject of territorial and congressional committee investigations and a number of reports were published concerning their operations. As the Tallahassee Union Bank was the largest benefactor of the bonds, the reports on this bank were the most voluminous.

In 1836 the capital of the Bank of Pensacola was $606,115 of which $500,000 represented capital stock and bonds payable, and installments paid in on capital stock, $106,115. The capital of the Tallahassee Union Bank ultimately reached a total of $2,982,633 represented by sale of bonds, $2,296,000; hypothecated bonds, $533,333; and paid in stock, $154,300. By 1841 the capital of the Southern Life at St. Augustine reached a total of $917,200. "By the close of 1836 the nominal capital of the banks of Florida was $8,075,000 omitting those which had already exploded, and they were privileged to raise even this to about $10,000,000. The paid up capital was $2,311,762, of which $1,500,000 had been borrowed on the credit of the Territory. As the Bank of Pensacola had invested its borrowed funds in railroad building and the Union Bank had let out nearly two-thirds of its $1,000,000 on long term loans, the amount remaining free for ordinary banking was only $1,231,762. By 1840 the nominal capital had been reduced to $7,500,000 by the disappearance of the minor banks.

Owing to increases in the Union Bank and the Southern Life, the paid up capital had risen to $4,582,236, of which sum $783,940 had been paid in cash, the rest borrowed. The amount nominally free for ordinary banking was over $1,000,000, possibly $1,800,000."[1]

2. LOANS

As previously noted the Union Bank was a real estate mortgage operation. Thus, in 1838 the amount loaned to the stockholders on pledge of stock was $1,841,976 and on "other security," $519,953. These two items represented the loan business of the Union Bank. By way of example, Samuel Parkhill, the second largest stockholder with 1,612 shares, owed the Union Bank $94,182 in the latter part of 1840. In 1846 the bank brought suit against Parkhill's estate and secured a judgement of $143,782 in principal and interest.[2] As the money of the Bank of Pensacola was largely tied up in railroad stock, there were few funds for loans. The Southern Life loaned money freely on land, slaves, and personal security. The percentage of loans to directors and stockholders was high but not to the extent of the Tallahassee bank.

Many of the territorial banks, especially the big three, were interested in the handling of cotton accounts. The Union Bank frequently advanced money on this commodity and also purchased cotton for the remittance of interest and exchange. "The Southern Life sought orders for cotton from abroad and had them filled through its agents in order to secure exchange business. For thus entering the field of the merchant and interfering with his business, the bank was severely censured by the bank committee of the legislative council of 1840. In the end a considerable loss was sustained by reason of the cotton transactions."[3]

The interest rates on loans varied from bank to bank although all of the institutions noted followed an act of the legislative council of 1833 which set a maximum annual rate of ten per cent under any conditions and where not stipulated, a general rate of six per cent. The charter of the Union Bank set a maximum interest rate of six per cent per annum for loans up to four months and eight per cent for longer periods. The Bank of Pensacola was allowed any rate by agreement, but if no

agreement was made the maximum rate was set at eight per cent per annum. "The Southern Life appears to have violated the law in exchange transactions by charging interest on the advances on cotton and a commission on the exchange. It was also a practice of this bank to refuse to take promissory notes payable at home in order to compel its customers to draw drafts on funds in distant cities. It would then charge a commission above the interest and then when the note was due would charge another premium for securing the funds with which to meet it. In this way the actual rate must have been as high as ten or even twelve per cent."[4]

3. DEPOSITS

Those familiar with only twentieth century banking may find some difficulty in comprehending the structure and nature of territorial banking. This basic structural difference is most noticeable in studying the changing importance of deposits as a source of loanable funds. The deposit function of the banks of the territorial period appears to have been relatively minuscule. Generally the banks received commercial or checking accounts and certificate of deposit accounts. Interest was paid on deposits in the certificate accounts, but there is little record of the time element involved. The Southern Life paid up to six per cent on "deposits in trust on time."

Sample statements show the Union Bank with a balance sheet of $4,556,768 of which deposits amounted to $184,337; the Bank of Pensacola with a balance sheet of $1,105,848 and commercial deposits of $42,936 and certificate deposits of $5,321; the Southern Life with $2,058,902 on its balance sheet and $106,703 in commercial deposits and $22,281 in certificate deposits.

There were no regulations, either in the laws of the territory or in the charters granted by the legislative council, regarding a required reserve to protect deposits. By and large, the items carried as cash on hand seldom equalled the amount of the deposits.

4. EXCHANGE

A profitable and lively function of the territorial banks was conducted in the business of exchange. The Southern Life, particularly at the office at the busy port of Apalachicola, was very active and kept balances in New York, Charleston, and

Savannah where cotton was sold and merchandise and produce purchased.

The exchange rates varied although the Southern Life charged two per cent from thirty to ninety days when drawing its own notes on New York. The *Florida Sentinel* of October 24, 1843, quoted New York sight checks at one to one and a half per cent premium. Cotton served as the commodity that was used in payment for exchange and on occasion the demand for the fiber was sufficient to raise the price above that paid in other areas.

5. CIRCULATION

As was the case with other aspects of banking, there were no general laws of the territory to regulate the circulation of money. Rather, the charter of the individual banks set limits of note circulation for the institution concerned. The limitations set in the numerous charters varied. Some of the earlier charters limited notes and debts by a set figure, thus notes and debts were not to exceed three times the capital paid in. Others set a limit of notes and debts at twice the amount of the paid in capital. In some cases the penalty for exceeding the maximum set in the charter was forfeiture of the charter, in others the stockholders were held liable in the amount exceeded.

All of the charters required the banks to redeem notes in specie, and penalties for failure to redeem notes varied from charter forfeiture to damages up to twenty-five per cent for failure to pay out specie on demand for redemption of notes. Banknotes were usually redeemed at the offices of the issuing authority, though several of the territorial banks issued notes that were payable in New York. Figures on the volume of notes placed in circulation are approximate at best. David Yancey Thomas, historian of early Florida banking, estimated that the territorial banks seldom exceeded a fourth of the maximum amounts allowed in the charters and that the total circulation probably did not exceed a million dollars.[5]

By and large the notes of the Florida banks circulated at par and were acceptable in all channels of local trade until the panic of 1837 and the suspension of specie payments by banks throughout the United States. Thomas found that after the suspension of specie payments "the charge was made

against the Florida banks that they supplied the worst currency in the Union." Down to that time their notes circulated in Florida without any trouble, except that the circulation was not so large as the banks wished. During this time they held respectable specie reserves. For the first two years of its life, the specie reserve of the Union Bank was from one-third to one-fourth of its circulation. In 1835 the circulation was $335,150, but had fallen to $180,000 at the close of 1837. From 1836 to 1840 from one-third to one-fifth of its notes reported as in circulation were in the vaults of the Southern Life. The Southern Life had hardly got under full sail before it met the storm of 1837. The Bank of Pensacola issued only a moderate circulation, $71,487 in 1835 on a specie reserve of $25,749 and $131,867 the next year on $69,466 'cash.' It was forced to suspend in May, 1837, but did not do so until its bills had become articles of commerce and were purchased at a premium over others to draw specie from the bank.[6]

During the suspension of specie payments, in 1837-1838, the value of banknotes rapidly deteriorated. The *Pensacola Gazette* of August 4, 1838, quoted money rates in West Florida at five cents on the dollar although notes of the Commercial Bank of Apalachicola were quoted at "three drinks on the dollar but the market dull and falling." Several of the banks, including the big three, resumed specie payments in the fall of 1838. However, with the passage of time, specie payments were again discontinued and the notes of the banks were again circulated at larger and larger discounts. In 1840 the city of Pensacola issued small change bills totalling $5,000 and later the majority of the circulation in Tallahassee was composed of bank bills of exchange. On the decline and closing of the Florida banks, the circulating medium that was most acceptable were the notes of several Georgia banks which had established agencies at Apalachicola and other Florida towns.[7]

6. DIVIDENDS AND PROFITS

The charters of the territorial banks generally specified that the payment of dividends on the stock of the banks would be restricted to the net profits of the individual bank. In reports made to the legislative council, the Bank of Pensacola stated that in 1834 the institution paid two dividends of $980 each on a capital of $7,000 and in 1835 one dividend of $1,795 on a capital

of $45,927. The Southern Life of St. Augustine declared and paid semi-annual dividends of five per cent until 1839, when the dividends were reduced to four per cent. The only dividend ever declared by the Union Bank was when, in the allotment of new shares after the sale of $2,000,000 of bonds in 1838, the old stockholders were allowed a share of new stock for eight shares of the earlier stock. Since all of the territorial banks were eventually closed, the discussion of dividends and profits, in the ordinary sense, is meaningless.

7. PUBLIC CONTROL

As in the other phases of territorial banking there was no general provision for government control except as specified in the individual charters. Public control through taxation of the individual banks varied with the charters granted after 1828. The Bank of Florida, Central Bank, and Bank of West Florida charters specified a three per cent state tax on the net profits of each institution. The amended charter of the Bank of Pensacola provided a two per cent tax. The personal property and real estate holdings of the Union Bank were taxable, but the capital was made tax exempt on the basis of anticipated dividends to the Territory through the "faith bonds." The Southern Life charter stipulated a personal property tax on the capital stock at prevailing rates, but not to exceed $5,000 annually. Available records reveal that bank taxes in the territorial period were meager at best as the generally unsuccessful banking operations showed few, if any, profits worthy of consideration. An 1844 report of the territorial auditor noted that from 1833 to 1837 three banks paid taxes totalling $4,656.[8]

Public control of the territorial banks was attempted to a limited extent through a requirement for the submission of periodical reports to the territorial government. Most of the charters granted stated that annual reports on the banks would be filed with the Governor and Council. An act of the legislative council of 1833 required the banks to file annual reports with the Governor or suffer a penalty of the refusal of acceptance of banknotes, of the defaulting bank, in payment to the Territory. There is no record of the enforcement of the penalty on banks which were negligent in filing their reports.

The bank reports that were submitted were little more than balance sheets of the assets and liabilities of the institutions.

Many of these reports were published in the annual journals of the legislative council, and a few of the reports were reproduced in the local newspapers. But the most valuable reports of the banks may be found in the statements of the standing and special committees of the legislative council. Legislative committee investigations of 1840 and 1842 are especially significant, particularly in regard to the manipulations of the "big three" with the "faith bonds." Fairly complete reports of the investigating committees were published in the legislative journals of these years.

With the suspension of banking by the Union Bank and the Southern Life in 1843, the institutions were seemingly left to their own devices. A receiver was never appointed for the Union Bank, and in 1843 the bank was involved in suits involving more than a million dollars. The succeeding officers were engaged in closing the affairs of the Union Bank for over twenty-five years when all trace of the organization is lost. In 1842 the Southern Life made an assignment of its remaining assets to a Tallahassee law firm. In 1846 these attorneys were still seeking to recover bonds of the bank, but thereafter the affairs of the banks are in eclipse. The final act in the story of territorial banking came during the first session of the legislature of the State when, in 1845, that body instructed the attorney general to investigate the affairs of the "big three" and to report the results of such investigation to the legislature.[9]

NOTES — CHAPTER III

1. Thomas, "History of Banking in Florida," 58. Unless otherwise noted the material in this chapter is from this study.
2. Manley, et al., Administrators v. Union Bank, 1 Florida 160; Union Bank v. Parkhill's Administrators, 2 Florida 660.
3. Thomas, "Banking," 69.
4. *Ibid.*, 71.
5. *Ibid.*, 83-84.
6. *Ibid.*, 84.
7. Random references to the circulation of banknotes and their discount are found in the newspapers and legislative journals and reports of these years.
8. Appendix, 17. *Journal of the Senate of the Legislative Council*, 1844.
9. *Laws of Florida, 1845*, Chapter 23.

Chapter IV

THE ST. JOSEPH CONSTITUTIONAL CONVENTION: 1838 - 1839

1. BANKING AND POLITICS

From 1821 to 1838 the politics of Florida remained largely sectional in nature regarding problems within the territory. As a frontier region, even though principally settled by southerners, the interests of the residents of Florida were identified with similar economic interests of the residents of the then western territories. While Florida enjoyed common interests with the southern states in the plantation slavery regime and the economic problems inherent in that system of agricultural economics, the politics of the territory were much more closely identified with the benefits to be obtained from a paternal federal government. As a frontier region with an inefficient tax system, the citizens and their representatives looked to the national capitol in Washington for Indian protection, aid for internal improvements, and the adoption of liberal land policies to attract settlers. An illustration of the paternal relationship of the federal government to the territorial residents was clearly made in the passage of the land "Donation Act" in congress in 1824. This act granted 640 acres of land to citizens who would produce claims founded on habitation and cultivation of real property, such citizens to prove legal age and headship of a family.

In these years politics in Florida were generally personal in nature as men of wealth and erudition sought or accepted leadership of the political life on the southern frontier. Early political factions were based on common interests, territorial sectional pride, and personalities. A Tallahassee newspaper reported that: "More than half the political controversies in the Territory have been of a personal and selfish character, involving no cardinal principle, and of mischievous tendency—a mere struggle between the ins and outs."[1] The sectional politics, which gave rise to various political combinations, rose from the controversies over division of the territory, statehood, and the economics of public and private banking. Of these issues, the sectional cleavage on territorial division versus statehood

for the whole territory was a most important subject from 1821 until actual statehood in 1845.

The Indian wars and resultant economic distress emphasized the desires for continued federal aid in East Florida and thus the divisionists and those opposed to statehood were in that section. In Middle Florida, from the Suwannee to the Apalachicola, the sentiment was strongest for statehood and against division of the territory. In West Florida, from the Apalachicola to the Perdido, the sentiment for division of the territory and for statehood was more divided.[2]

The territorial problems of division or statehood were frequent subjects of discussion in the political campaigns, columns of the press, and legislative council debates. Supporters for statehood chafed under the unrepresentative character of national government supplied to them on a local basis. The presidential appointments of territorial officials as rewards for political favorites was particularly irritating. The congressional veto over territorial legislation brought out the cry of taxation without representation and federal ownership of public land hindered the desire to exploit and settle that valuable resource. The strongest opposition to statehood was in the area of taxation. Acts of the council to tax and to borrow money were often vetoed by congress. The opponents to statehood argued that status as a federal territory with large financial support from the national government was much preferred to the anticipated costs and subsequent taxes of a potential state. Thus, in 1834 the council defeated bills to establish an adequate tax system, to provide for an efficient system of tax collection, and to submit the question of state government to popular vote. Such action was approved by the *Pensacola Gazette* which noted that the major objection to statehood was poverty and that although the territorial form of government might "be a homely garb, it serves very well to keep us warm."[3]

The movement for statehood received its first positive impulse when the legislative council of 1837 authorized a popular vote on statehood at the ensuing territorial May election. The affirmative vote for statehood throughout the territory was 2,214 as opposed to 1,274 negative votes, or a majority of about a thousand votes for a state government. An analysis of the vote proved the desire of Middle Florida, along with the towns of

Apalachicola and St. Joseph in West Florida, for statehood: Middle Florida was 1,152 for and 266 against; West Florida was 732 for and 324 against; South Florida was 75 for and 70 against; but East Florida was only 255 for and 614 against. Further, in the thinly populated counties east of the Suwannee where the opposition was greatest there was the lightest turnout of votes.[4]

When the legislative council assembled in January, 1838, the action of the voters on statehood resulted in an act calling an election in October for members of a convention "to form and adopt a bill of rights and Constitution . . . and all needful measures preparatory to the admission of Florida into the national Confederacy." The council act alloted delegates to the proposed convention on the basis of twenty for East Florida, twenty for Middle Florida, and sixteen for West Florida. After considerable debate and political trading the council chose the town of St. Joseph, on the Gulf west of Apalachicola, as the meeting place for the convention. The bill for the convention passed by a vote of 18 to 9 with the members from East Florida generally voting against the bill.

The election campaign of 1838 was reported by the Tallahassee *Floridian* of October 13th as the most exciting that had ever taken place in the territory. The election excited popular interest in races for delegates to the convention and for members of the legislature, which by congressional act had been made bicameral with both a senate and a lower house. In East Florida, the Whigs, under the title of "People's Party" worked for division of the territory, whereas the opposing Democrats favored the issue of statehood. In Middle Florida sentiment was favorable to statehood, but by the time of the October elections the statehood dispute was overshadowed by the controversy of the territorial involvement in the regulation of banks and the financial status of the government as a result of the panic of 1837. Popular concern over banking was quickened by the territorial guarantee of the bonds to the big three banks. The legislative councils of these years were dominated by the Whigs from the planter class who had bought bank stock and held office in these institutions and thus received the blame for the suspension of specie payments and the financial hardships of 1837. The failure of the legislative council to take action, in

1838, of a remedial nature brought the bank question into the open. Opposition to the control by the planter interests of Middle Florida was strong in the East and West.[5]

The question of banking and bonds was a lively issue between Democrats and Whigs. "The Whig bankocracy" was declared by its opponents to hold responsibility for the issue of the "faith bonds." The poorer whites "who farmed on a small scale, owning few or no slaves, began to grow bitter in their judgment of the wealthy planters, with whom they had hitherto stood side by side against common dangers. Now these small planters were asking whether all the people should toil and suffer to the end that the wealthy planters might ride in their 'coaches and four' and wear 'purple and fine linen'."[6]

"Are you in favor of a connection between Bank and State?" was the popular question put to the candidates, and the Tallahassee *Floridian* reported that all the candidates "urged the propriety of constitutional regulations of the powers of the Legislature in regard to incorporations," and some even "urged the necessity of investigation and reform."[7] In East Florida, the excitement found the campaigners electioneering in such factions as: The bank, Mechanic's and People's Ticket Against the bank, or Democratic-Republican. At St. Augustine the East Florida *Herald* reported that in spite of lavish spending, the exciting inducements of the invisible spirit of rum, and all the influences that wealth could command, the "Bank Whigs" took a beating in that section.[8]

2. CONSTITUTIONAL DEBATES ON BANKING

The delegates to the convention assembled on December 3, 1838, at St. Joseph and remained in session until adjournment on January 11, 1839. The selection of St. Joseph "was not popular but resulted, according to the editor of the Apalachicola *Gazette*, from a log-rolling compromise between the East and the West. Says Fizzy to Peter 'scratch my back and I'll tickle your elbow.' The proposition suited the fancy of both parties. So Peter scratched the Banks and Fizzy tickled the town. *Fizzy* was Richard Fitzpatrick, who represented Dade county in the convention and who was identified with the interests supporting the banks, and *Peter* was Peter W. Gautier, Jr., publisher of the St. Joseph Times."[9]

Cosam E. Bartlett, editor of the Apalachicola paper and a delegate to the convention from Franklin County, reported that "The city of the Saints presented quite a bustling appearance this morning. Most of the members of the constitution convention have come in and may be seen at different corners of the streets, on the piazzas of the boarding houses, or perhaps at the Pickwick, Shakespeare, or Byron Hotels, earnestly and solemnly engaged in electioneering for the important offices of president, clerk, or doorkeeper of the convention. Great importance is attached to these posts of honor, and the fate of the future State, the lustre of the new star, mainly depends upon the judicious choosing of the different occupants. For president of the convention, I have heard of but two candidates announced—Gov. Duval, of Tallahassee, and Judge Reid, of St. Augustine."[10]

The residents of St. Joseph mingled with men who dominated the history of Florida until 1870. Duval served as governor for twelve years before and Reid for several years after the convention. Others included: William Marvin of Key West, provisional governor at the close of the Civil War; Thomas Brown, governor from 1849 to 1853; the first three senators from Florida, James D. Westcott, David Levy Yulee, and Jackson Morton. Morton was also a delegate to the Montgomery Convention that drafted the Constitution of the Confederate States in 1861 and elected Jefferson Davis president of the Confederacy. Five of the delegates: John McGehee, George T. Ward, Samuel B. Stephens, Jackson Morton, and Benjamin D. Wright were members of the Florida Secession Convention of 1861. E. Carrington Cabell was later a congressman from Florida and five delegates later sat on the state supreme court: Walker Anderson, B. D. Wright, Thomas Baltzell, Leslie A. Thompson, and Albert A. Semmes. B. D. Wright of the Pensacola *Gazette* and C. E. Bartlett of the Apalachicola *Gazette* were delegates, and Joshua Knowles of the Tallahassee *Florida Watchman*, though not a delegate, was chosen secretary of the convention.[11]

The composition of the personnel of the convention was indeed diverse: nativities of the members were found in thirteen of the twenty-six states and four foreign countries, although three were natives of Florida. Of some of the delegates nothing is known more than names and counties represented. By occu-

pation, lawyers and planters were the dominant group, but there were two preachers, two newspapermen, three doctors, an inn-keeper, sea captain, and merchant in the group. Eighteen delegates had served in the legislative council, four as presiding officers, while both Duval and Reid had served in the federal congress.[12]

The first few days of the convention were spent in organization and numerous tests of sectional or personal strength amongst the delegates on matters pertaining to methods of procedure with many references to taxation, revenue, and banking. Eighteen committees were appointed to undertake the labor of drafting the constitution. James D. Westcott, an anti-bank delegate, was made chairman of the committee on banking and other incorporations, but the whole committee was evenly divided between the bank faction and the anti-bank faction.[13]

Numerous attempts were made to raise the all engrossing question of the banks and other incorporations in the first few days of the convention, but the majority of the group prevailed over the extremists on both sides and the convention proceeded to work out the essential articles of the document. The framework of government planned by the delegates was similar to the form of territorial organization then in effect: an executive department with a governor and cabinet; a two-house legislature; and a court system. Popular control of the government was found only in the election of the governor and members of the legislature. Other executive officers, judges, solicitors, and even court clerks were to be elected by the legislature, or in the case of lesser offices, to be appointed by the state judges. Even the method of selection of county commissioners and justices of the peace was left to the discretion of the legislature.

The report of the committee on "banking and other incorporations" was submitted to the Convention on December 13th. The committee's report suggested restrictions on the powers of the future legislature in regard to incorporations, particularly banks, but omitted mention of the territorial banks then in existence or of the territorial "faith bonds."[14] The report suggested the creation of one or more state banks with capital raised by the issuance of bonds guaranteed by mortgages on the real property of borrowers. The minority report referred to the problem of banks and bonds and proposed alternate procedures by

which the legislature would assume obligation for the territorial bonds and suitably amend the charters of banks entitled to secure them. Or if the legislature did not assume the bond obligation, "the banks could secure confirmation of their charters by substituting their own bonds for those of the territory. The charters of all other territorial banks . . . would be subject to modification by the first General Assembly."[15]

The inflammable bank question finally reached the floor of the convention on December 28th and the debates on the subject raged back and forth until the bank article was passed, enrolled, and signed by the convention president on January 10, 1839. "The reports fell far short of the ideas of the extremists on both sides. The next day brought a spate of resolutions embodying the varying views. Bellamy, of Jefferson, would have the convention repudiate the faith bonds, forbid the General Assembly to raise revenue with which to pay them, and forever prohibit the pledge of the state's credit in aid of any corporation. Marvin countered with a proposal to leave the whole question of the liability of the state for the territorial bonds 'open and undecided,' but to authorize the General Assembly to modify the charters of the territorial banks. If a demand should ever be made upon the state to pay the bonds, he would have a convention called to decide what course should be followed. Levy [Yulee] submitted that the subject of territorial banks and bonds was proper for the consideration and action' of the convention, and advocated repudiation. Fitzpatrick, on the other hand, proposed that the Union Bank be adopted as the state bank of Florida and that its capital be increased by $10,000,000, one-half to be owned by the state and one-half by private stockholders, but the whole to be raised by the issuance of state bonds."[16]

The anti-bank men were in majority in the convention as witnessed by the victory of their candidate for the presidency of the group. David Levy Yulee held that the action of the convention would settle the future of the banks and the territorial bonds issued in their behalf. While the banking committee was originally composed of three bank men and three anti-bank men, Walker Anderson who became a leading Democrat after the convention, switched his vote and the article reported by the committee was adopted with but few amendments.

On January 11th the new constitution had been enrolled and was brought to the floor for final passage. Only Richard Fitzpatrick of Dade, dissatisfied with the bank article, voted against the document. The delegates provided for a popular referendum on the product of their labors at the May election.

The reception given the St. Joseph constitution was lukewarm at best. Opposition was centered in East Florida which had voted against statehood in 1837. The vote on ratification was close, the majority sentiment for the constitution in Middle Florida carried the issue over the negative votes cast in the other two sections, but with the small margin of about one hundred affirmative votes in the whole territory.[17]

3. BANKING PROVISION OF THE 1838 CONSTITUTION

The sentiments of the majority of the men who drafted the St. Joseph constitution are revealed in the provisions which were finally written into that document. Section three of Article VI on the right of suffrage and qualifications of officers stated that: "No President, Director, Cashier, or other officer, of any Banking Company in this State shall be eligible to the office of Governor, Senator or Representative to the General Assembly of this State, so long as he shall be such President, Director, Cashier, or other officer, nor until the lapse of twelve months, from the time, at which he shall have ceased to be such President, Director, Cashier, or other officer."[18]

The substantial victory of the anti-bank faction is best revealed, however, in the fourteen sections of Article XIII which contained the provisions on "banks and other corporations." The major compromise effected by the pro-bank faction appeared in the final section of the article which authorized the legislature to regulate existing, or territorial, corporations but not to the extent of "violating vested rights or impairing the obligations of contracts."

Because of their uniqueness and their illustrative character denoting the prevailing philosophy, the provisions of Article XIII are given in full:

"1. The General Assembly shall pass a general law; for the incorporation of all such churches, and religious, or other so-

cieties, as may accept thereof; but no special act of incorporation thereof, shall be passed.

"2. The General Assembly shall pass no act of incorporation, or make any alteration therein, unless with the assent of at least two-thirds of each House, and unless Public notice in one or more newspapers in the State, shall have been given, for at least three months immediately preceding the Session at which the same may be applied for.

"3. No Banking Corporation shall be created or continue, which is composed of a less number than twenty individuals, a majority of whom at least shall be residents of the State; and no other corporation shall be created or continue, composed of a less number than ten, of whom at least five shall be residents of this State.

"4. No Bank Charter, or any act of incorporation granting exclusive privileges shall be granted for a longer period than twenty years; and no Bank Charter shall ever be extended, or renewed.

"5. The Charter of Banks granted by the General Assembly, shall restrict such Banks to the business of exchange, discount, and deposit; and they shall not speculate or deal in real estate, or the stock of other corporations or associations, or in merchandise or chattels, or be concerned in Insurances, Manufacturing, Exportation or Importation, except of Bullion or Specie; shall not act as Trustee in anywise, nor shall they own real estate or chattels, except such as shall be necessary for their actual use in the transaction of business, or which may be pledged as further security, or received towards, or in satisfaction of previously contracted debts, or purchased at legal rates, to satisfy such debts; of which they shall be required to make sale within two years after the acquisition thereof.

"6. The capital stock of any Bank, shall not be less than one hundred thousand dollars, and shall be created only by the actual payment of specie therein; and no Bank shall borrow money to create or add to its capital, or to conduct its business, and no loans shall be made on stock.

"7. All liabilities of such banks, shall be payable in specie, and the aggregate of the liabilities and issues of a bank, shall at no time exceed double the amount of its capital stock paid in.

"8. No bank shall make a note or security of any kind, for a smaller sum than five dollars; and the General Assembly may increase such restriction to twenty dollars.

"9. No dividends of profits exceeding ten per centum per annum, on the capital stock paid in, shall be made, but all profits over ten per centum per annum, shall be set apart and retained as a safety fund.

"10. Stockholders in a bank, when an act of forfeiture of its charter is committed, or when it is dissolved or expires, shall be individually, and severally liable for the payment of all its debts, in proportion to the stock owned by each.

"11. Banks shall be open to inspection, under such regulations, as may be prescribed by law; and it shall be the duty of the Governor to appoint a person or persons, not connected in any manner with any bank in the State, to examine at least once a year into their state and condition; and the officers of every bank shall make quarterly returns to the Governor, of its state and condition, and the names of the stockholders, and shares held by each.

"12. Non-use for the space of one year, or any act of a corporation, or those having the control and management thereof, or intrusted therewith, inconsistent with, or in violation of the provisions of this constitution, or of its charter, shall cause its forfeiture; and the General Assembly shall by general law, provide a summary process for the sequestration of its effects and assets, the appointment of officers to settle its affairs, and no forfeited charter shall be restored. The foregoing provisions shall not be construed, to prevent the General Assembly from imposing other restrictions and provisions, in the creation of corporations.

"13. The General Assembly shall not pledge the faith and credit of the State, to raise funds in aid of any corporation whatsoever.

"14. The General Assembly shall at its first session, have power to regulate, restrain, and control, all associations claiming to exercise corporate privileges in the. State, so as to guard, protect, and secure the interests of the people of the State, not violating vested rights or impairing the obligation of contracts."[19]

NOTES — CHAPTER IV

1. *Florida Sentinel,* December 3, 1841; Herbert J. Doherty, Jr., "Political Factions in Territorial Florida," *Florida Historical Quarterly,* XXVIII (October, 1949), 140.
2. Dorothy Dodd, *Florida Becomes a State,* (Tallahassee, 1945), 418-420.
3. March 19, 1834, cited in Dodd, *Florida,* 34.
4. Edwin L. Williams, Jr., "Florida in The Union, 1845-1861," (Unpublished doctoral thesis, University of North Carolina, 1951), 3.
5. Dodd, *Florida,* 44-45.
6. Brevard, *History of Florida,* I, 217.
7. September 22, 1838.
8. October 13, 1838.
9. Frank W. Hoskins, "The St. Joseph Convention," *Florida Historical Quarterly,* XVII (July, 1937), 37-38.
10. *Ibid.,* 40-41.
11. *Ibid.,* 191-192.
12. Dodd, *Florida,* 47.
13. *Ibid.,* 50-57. Unless otherwise noted, material in this section is from the excellent introduction and the edited documents of this volume.
14. Convention Journal, Document Number 16, Dodd, *Florida,* 177-179. The Convention Journal was published as a single document at St. Joseph in 1839, but for ease of reference citations to the Journal will be made to the document as reproduced in Dodd, *Florida,* 132-303.
15. *Ibid.,* 55.
16. *Ibid.*
17. Emily Porter, "The Reception of the St. Joseph Constitution," *Florida Historical Quarterly,* XVII (October, 1938), 122-123 and James B. Whitfield, "Florida's First Constitution," *ibid.,* 73-83.
18. 1838 Constitution, Document Number 17, Dodd, *Florida,* 316.
19. *Ibid.,* 323-324.

Chapter V

THE ANTE-BELLUM PERIOD: 1845 - 1861

1. PRIVATE BANKING: 1845 - 1855

From 1839 to 1845 the question of statehood became confused with the political fight over territorial banking problems and together with the other problems rising from the economic distress of these years, the statehood issue was pushed into the background. Part of the economic distress came from the suspension of specie payments in banking institutions over the nation, one of the results of President Jackson's order that payment for public lands be in specie.

The suspension of specie payments and the subsequent lapse of interest payments on the faith bonds by the territorial banks created superb political grist for the Democrats. Under the leadership of James Westcott and David Levy Yulee the Democratic opposition to the Whigs (who had fathered the corporations) capitalized to the extent that the people of Florida visualized higher taxes to pay off the "faith bonds." The opposition credited the bank policies with producing an extravagance that allowed the debtor to ride in a carriage while the creditor walked. The opposition to the Whig bank "ragocracy" (so-called from the issuance of bank notes referred to as "bank rags") further excited the people over the large interest payments on the bonds held in foreign countries. The Democrats urged default on the interest to improve economic conditions in Florida. One editor wrote that "The honor of the bank is just as much involved in fulfilling its promise to the poor man who holds but one single dollar of its money as to the foreign banker who holds one million of its bonds. The poor man worked for his dollar and expected the bank would act in good faith and redeem it. He did not expect that he would have to part with half of it to enrich the domestic or foreign banker."[1]

The response to this type of exhortation was shown in the Democratic victories from 1839 to 1845. Proof of the defeat of the "ragocracy" came first in the adoption and ratification of the

restrictive sections on banking in the St. Joseph Constitution. Subsequent restrictive acts of the legislative council, especially in regard to the territorial bonds, drove public banking from Florida until 1855.

Banking activities after 1845 were carried on by agents or representatives of New York, Charleston, and Savannah banks. The State Comptroller reported two bank agencies in Franklin County (Apalachicola) in 1846 and four in Franklin and one in Leon (Tallahassee) in 1847.[2] The state tax returns for 1846 reported $1,013,027 loaned at interest but the amount loaned at interest had dropped to $444,482 in 1847. By 1850 the number of banking agencies had risen to eight at Apalachicola and two at Tallahassee.[3] In 1850 each bank agency paid an annual state license tax of $150, by 1860 the tax had been raised to $165. In 1860 there were bank agencies as follows: three in Apalachicola, two in Marianna and Tallahassee, and one in Jacksonville and Quincy. At the outbreak of the Civil War, in 1861, the following private banks were in operation: Apalachicola: Atkins and Dunbar, D. K. Dodge, and Wm. A. Porter and Co.; Jacksonville: S. M. Reed (Bank of Jacksonville); Marianna: Davis and Wilson, and Isaac Widgeon; Pensacola: Judah and LeBaron; Quincy: J. R. Harris and Co.; Tallahassee: B. C. Lewis, P. M. Ellis, W. E. Donelly, H. W. Brooks, Pratt and McKenzie, and J. R. Harris and Co.[4] "The lack of state chartered and owned banking facilities is shown by the fact that the Board of Trustees of the Internal Improvement Fund ordered monies belonging to the Fund to be deposited in the Tallahassee agency of the South Western Railroad Bank of Charleston. The state had to borrow the money to pay the expenses of the last war with the Seminoles from Charleston and Savannah banks—an amount totaling some $214,000."[5]

2. THE BANK LAWS OF 1853 AND THE NEW BANKS

After five years of statehood, in 1850, Florida had recovered from the ill-fated boom of the 1830's and the depredations of the Indian wars. Population in that year reached 87,000 and moved on to 115,000 in 1855 and 140,000 in 1860. Cotton production had grown from 30,000 bales in 1840 to 45,000 bales in 1850. In the same year tobacco production was just under a million pounds

with the rice harvest of that year measuring more than a million pounds. In 1850 there were 103 small factories valued at $547,060 and employing 991 persons with total wages of $200,000 and a total manufactured product of $666,335 from materials bought for $220,611. In 1853 Jacksonville reported a tannery, two foundries, a watch maker, lock and gunsmiths, blacksmiths and other artisans. In 1853 a shoe factory at Madison employed twenty-six slaves who tanned two thousand hides a year and made eleven thousand brogans from the hides. West of Madison John C. McGehee "had a steam saw mill which ran two saws and also planing, tonguing, and grooving machinery. He used the steam engine which powered the saw mill to run a grist mill and a cotton gin. This type of local industry, based on an agricultural economy, was typical of the industrial growth of Florida."[6]

The leading manufacture for export was lumber. Saw mills, powered by steam and by water, began producing lumber near Pensacola soon after 1821. By 1835 four million feet of lumber were shipped from Pensacola annually; by 1850 fourteen million feet were shipped; and by 1855, eighteen million feet. In East Florida the introduction of circular saw mills in the 1850's began a long era of lumbering. By 1853 there were fourteen saw mills near Jacksonville, which required three hundred ships to handle the yearly export. By 1860 the annual state lumber export was valued at $2,000,000.

A summary of manufacturing in twenty-two of the thirty-seven counties (fifteen did not report) in the 1860 census showed 185 industries, capitalized at $1,874,125, using raw materials valued at $874,506. These plants employed 2,454 people, with annual wages of $619,840, who produced fabricated goods valued annually at $2,447,969. While the totals seem small, nonetheless their size was tripled over 1850 in most cases and the value of the finished goods quadrupled in the decade.[7]

With the increase in population and agricultural and industrial economy, a desire for local banking facilities was expressed in passage of a bank charter by the legislature of 1850. By act of January 23, 1851 the "State Bank of Florida" at Tallahassee was authorized to incorporate with a capital of not more than $1,000,000. The qualifications, however, were so stringent that the proposed bank never progressed beyond the paper stage.

The agitation for local banks continued as a result, in part, of the belief that the state's economy was losing unnecessary monies through the remittances on exchange business made by the agents of non-Florida banks. This desire for local banks was enhanced through the belief that there was sufficient capital present in the state for investment in bank stock provided the banking laws were made less stringent.

By 1853 these views prevailed to the extent that the legislature enacted the first general banking law. Under this law, and subsequent amendments, any person, or association of persons for banking purposes, was authorized to place specified types of bonds in the hands of the state comptroller. The Comptroller, in turn, would then furnish the bankers with circulating notes ranging in denomination from $5.00 to $100.00 to an amount equal to the bonds deposited. No association was authorized to engage in business until $100,000 in securities had been deposited and no individual with less than $50,000.[8]

The 1853 law stipulated that the bonds to be used for deposit by banks would be either those of the United States or one of the individual states. The bonds would thus remain a trust fund in the hands of the Comptroller for the redemption of the bills that were issued. "The law originally contemplated no security for these bills except the deposited stocks, the theory being that in case of the failure of the bank to redeem its circulation, the Comptroller could sell the stock and realize enough for redemption, while the banker would be remunerated by the profit of the banking operations and the interest on his deposited bonds. The bill holder was nevertheless exposed to some risk. . . . This risk was increased by the amendment passed in 1856-57, authorizing the use of county, city, town and certain railroad bonds as securities. But it was provided, in addition, that the private property of the stockholders in a bank should be liable for the full amount of the liabilities of the institution."[9]

TABLE II *

BANKS CHARTERED BETWEEN 1851 - 1888

Name	*Date*
State Bank of Florida (Tallahassee)	1851
Bank of the State of Florida (Tallahassee)	1855
Bank of Commerce at Fernandina	1860

Name	Date
Commercial Bank at Lake City	1860
Planters and Merchants Bank at Pensacola	1860
Bank of Tallahassee	1860
Commercial Bank at Pensacola	1860
Bank of St. Johns at Jacksonville	1858
Bank of Fernandina	1861
Western Bank of Apalachicola	1861
Santa Rosa Railroad Banking and Insurance Co. (Milton)	1870
Escambia Banking Building and Loan Association (Pensacola)	1870
Planters Loan and Banking Association (Tallahassee)	1872
Merchants Bank, Pensacola	1879
City Bank of Pensacola	1887
Bank of the State of Florida, Jacksonville	1883

* G. E. Lewis, *Florida Banks* (Tallahassee, 1942), 2; *Laws of Florida, 1851-1887.*

The passage of the general banking law of 1853 did not, however, encourage the establishment of public banking. The first bank of the state was created by a special act of the 1855 legislature under the name of "The Bank of the State of Florida." Because of the significance of its contents the preamble of the act of incorporation is worthy of note:

"Whereas, the State of Florida is without the benefit of any Banking Institution, and the people thereof are dependent for currency upon the issues of Banks of other States, independent of their control, and so far removed as to be beyond their inspection: and whereas, large sums of money are yearly withdrawn from the aggregate wealth of the State, by reason of the necessity which has heretofore existed for the Agencies of foreign Banks to transact the exchange business of the country: And whereas, it is believed that the time has arrived when there is sufficient surplus cash in this State to seek investment in local Banks, chartered under and responsible to the authorities of this State . . ."[10]

The charter of the Bank of the State of Florida was for a period of twenty years with a capital stock of $500,000 divided into shares of $100. The other provisions of the charter generally followed the 1853 law. Features included were a maximum interest rate of one per cent for forty-five days on discounted paper, three per cent of the net profits as a state tax before payment of dividends, and strict limitations on the holding of real property and produce in the payment of debts. The bills and notes of the bank were payable in gold and silver "at the counter of said Bank."

Among the promoters of the Tallahassee bank were General William Bailey, B. W. Bellamy, Robert H. Gamble, Joseph Chaires, George T. Ward, and several others of the old Union Bank directorship. The subscription books for capital stock were opened in March, 1856 and within three years $130,000 of the $500,000 capital was paid up in specie.

Succeeding sessions of the legislature continued the practice of passing acts of incorporation for banks in the state. In 1856 a charter was granted to the Bank of Apalachicola;[11] 1858, Bank of Fernandina;[12] in 1860, Western Bank of Florida at Apalachicola, Planters' and Merchants' Bank of Pensacola, Bank of Commerce at Fernandina, Commercial Bank of Lake City, Bank of Tallahassee, and several insurance and building and loan companies.[13] A number of other banks were organized under the general law, but along with many of the chartered banks there is no information as to operation if, indeed, these banks ever materialized beyond paper plans.

In the late 1840's A. M. Reed of Jacksonville began an agency of the Bank of Charleston in a small space boarded off in his store. The agency was continued until 1858, when Reed and others organized the Bank of St. Johns in Jacksonville. Little is known of the corporate history of this bank, a private concern, which remained in Jacksonville until the federal invasion of 1862 when its resources were moved to Lake City and disappeared.[14]

The only other bank to operate in Florida in the ante-bellum period began business in 1859 at Fernandina. Although chartered with a potential capital stock of a million dollars the paid in capital never exceeded $100,000. In December, 1859, the Fernandina and Tallahassee banks had a circulation of $200,000 and $50,000 in specie in the two banks. On January 1, 1861, the two banks reported a capital of $425,000; specie, $55,000; circulation, $116,000; and deposits, $108,000. By April, 1861, the Tallahassee Bank had increased its capital from $130,000 to $300,000.[15]

NOTES — CHAPTER V

1. *Florida Sentinel*, Tallahassee, May 28, 1841. Much of this philosophy followed the Andrew Jackson line of a general antipathy against banks and bankers.
2. *Senate Journals*, Appendix, 1846, 12; 1847, 52.

3. *House Journal*, 1850, 206.
4. Marckhoff, "Currency and Banking in Florida," *loc. cit.*, 123; *Bankers' Magazine*, X (July, 1860), 54.
5. Williams, "Florida in the Union," 294.
6. *Ibid.*, 305.
7. *Ibid.*, 312-313.
8. *Laws of 1853*, 11-22, Chapter 480.
9. Rowland H. Rerick, *Memoirs of Florida*, (Atlanta, 1902), II, 51.
10. Chapter 733, *Laws of Florida*, 1855, 18.
11. Chapter 807, *Laws of Florida*, 1856, 50-54.
12. Chapter 935, *Laws of Florida*, 1858, 86-90.
13. Chapters 1, 142; 1, 143; 1, 145; and 1, 147; *Laws of Florida, 1860*, 86 *et passim.*
14. T. Frederick Davis, *History of Jacksonville*, (St. Augustine, 1925), 477.
15. Rerick, *Memoirs*, II, 52; David Y. Thomas, "Florida Finance in the Civil War," *Yale Review* XVI (November, 1907), 312; *Bankers' Magazine*, IX (June, 1860), 922.

Chapter VI

FLORIDA FINANCE AND THE CIVIL WAR

1. SECESSION AND WAR

When the news of the Republican Party victory in 1860 in the election of Lincoln to succeed Buchanan as President of the United States reached Florida, an immediate wave of adverse reaction was felt throughout the state. Public meetings held in towns and settlements adopted resolutions calling for state action on the course to be followed toward separation from the union. In general, the Whigs joined with the Democrats in denouncing the selection of Lincoln, while the Democratic newspapers almost unanimously demanded state action against "that party of fanatics who have deliberately threatened to force us into an administration of the equality, socially and politically, of the slave . . ."[1]

Opposition to the project for immediate secession was publicly expressed by a number of prominent Floridians: former Governor Richard Keith Call, Federal Judge William Marvin of Key West, and Supreme Court Justice David S. Walker. But the sentiment for secession overwhelmed the voices of the "unionists," particularly when Governor Madison Perry and Governor-elect John Milton were on record by the middle of November, 1860, for secession. With the national government in control of the Republican Party many southerners believed that the abolitionists in that party meant to destroy slavery in the southern states.

When the state legislature met at Tallahassee on November 26th, Governor Perry devoted his message to the necessity of separation from the union. The legislature moved quickly in passing acts calling for the election of delegates to a convention, to decide the matter, to be convened in early January, 1861. In the short campaign for the election of convention delegates, the opposition to secession was negligible. If there was an issue, the public discussion revolved around the speed with which the moves should be made. Governor Perry and his administration, the press, and the pulpit urged rapid action.

The convention met to organize on January 3, 1861, and on January 10th passed the secession ordinance by a vote of 62 to 7.[2] The action of the convention was the occasion for celebrations in Tallahassee and other towns of the State. Parades, gun salutes, toasts, and speeches were much in evidence as the jubilation over secession spread. "Little did the people of Florida realize that they had embarked on a course which was to lead to the destruction of the social and economic institutions and of the way of life which they were determined to preserve."[3]

On February 4th the delegates from the seceding states met at Montgomery, Alabama and later agreed on a government for the Confederate States of America. The Florida Convention reassembled on the 26th and adopted the Confederate Constitution. The first gun was fired at Charleston, in the fight over Fort Sumter on April 12th, but the first action in Florida did not take place until September 2nd when a federal raiding party burned a Confederate vessel at the Pensacola navy yard. In the fall of 1861 and winter of 1862, the Civil War was well under way in Florida. Key West remained in federal hands and by March, 1862, the federal forces controlled the east coast from the St. Marys River to St. Augustine. On May 10, 1862 Pensacola was abandoned to the federal forces and the area returned to the United States after little more than a year under the Confederates. Jacksonville was the rope in a tug of war between the northern and southern forces. The town was occupied and evacuated on four occasions between 1861 and 1865.

By the end of the Civil War the federal forces were in control of most of the Florida towns on the Atlantic and Gulf coastlines. The civilian residents had moved to the interior or to Georgia or Alabama. Approximately 15,000 Floridians saw service in the Confederate Army with some 5,000 casualties. In addition, 1,200 Floridians, not including Negroes, joined the United States Army. Florida troops were in action on all fronts from the early skirmishes at Pensacola through the memorable battles at Corinth, Shiloh, Gettysburg, Vicksburg, Chickamauga and on to the surrender of the armies of Lee and Johnston in April, 1865. Among Floridians who attained high rank were: General Edmund Kirby-Smith, born in St. Augustine in 1824, one of seven full generals of the Confederate Army, and Generals William W. Loring, Francis A. Sharp, and Martin L. Smith.[4]

2. ATTEMPTS TO FINANCE THE WAR

In the chronicles of the Civil War the accounts of the economic adjustments of the period, especially in the field of government, have often been neglected in the relation of the gallant but losing efforts of the military and naval organizations. In the first months after Jefferson Davis was chosen president of the Confederate States, the Perry administration of Florida muddled through. In October, 1861, Governor-elect Milton wrote: "In the present deranged state of affairs I shall be inaugurated and enter upon the duties of Governor . . . with a heavy heart and a fearful apprehension of my inability to perform the duties of the office creditably and very usefully; but to the best of my judgment I will encounter surrounding difficulties, resolved to place the state upon the best war footing . . ."[5]

Milton's most immediate problem was in the realm of finance. The secession convention had joyfully taken the state out of the old union and then adjourned with an empty state treasury at Tallahassee. The tax collections of the state had never passed $140,000 in any one year, yet Perry and the legislature of 1860 had already obligated the government for $100,000 as a result of the mobilization effort.[6] The state fiscal agencies were so demoralized after secession that tax collections were suspended for 1860-1861. In the confusion of the times the accounts were so poorly kept that the ablest historian of the period was unable "to estimate with accuracy how much was really expended and for what."[7]

When Florida joined the Confederate States the financial situation was the most important issue to be faced by the legislature. The large arrears of taxes had left the state with a depleted treasury so that the extraordinary circumstances of war forced a revision of the state's fiscal arrangements. In order to meet the increasing expenses, the leaders of the State decided to expand the credit of the government on the basis of the public lands of the United States which were considered to have reverted to Florida with the adoption of the ordinance of secession. The secession convention and succeeding legislatures opened the public domain for sale at one to two dollars an acre, but more important pledged the domain for the redemption of notes and bonds and provided for the purchase of public lands with the notes.[8]

In February of 1861, the legislature authorized an issue of $500,000 in state treasury notes and the sale of $500,000 of twenty year bonds bearing an interest rate of eight per cent. The state notes were issued in denominations from $1.00 to $100.00 and were a legal tender in payment of all debts to the State including the purchase of land.[9] "Sensing the all important need of sustaining the value of state treasury notes, the legislators declared that the circulation of notes of solvent banks which received these state notes at par, would be received at full value for all taxes. State taxes on such banks were suspended. Banks not accepting the state notes at par were forbidden to issue notes of less than $20.00 value."[10]

The war bonds were never wholly successful, for by the end of the conflict only $300,000 of the bonds had been sold, and as the years passed the treasury notes became the main financial resource of the State.[11] The government was assisted in the first years of the war by the Florida banks, however, when the banks advanced a loan to supplement the treasury notes, in return the legislature granted the banks authorization to increase their capital stock provided the money was paid into the state treasury while the state pledged lands in the public domain as collateral for the stockholders.

At the time of secession the conditions of the banks at Fernandina, Jacksonville and Tallahassee were reported as follows:[12]

BANK OF ST. JOHNS, JACKSONVILLE

Capital stock	$125,000.00
Debts due bank	97,140.01
Debts owed by bank	46,264.79
Circulation	51,150.00
Loans and discounts	84,671.61
Specie	15,021.24
Security deposited with Comptroller	
Columbia County Bonds	73,550.00
City of Jacksonville bonds	21,450.00
F. A. & G. C. Railroad bonds	30,000.00

STATE BANK OF FLORIDA, TALLAHASSEE

Capital stock	$300,000.00
Debts due bank	
Bank of America	2,087.75
Bank of Commerce	6,431.75
Bank of Charleston	163.14
Bank of Middle Georgia	6,072.13
From Notes and Bills of Exchange	475,849.94
Debts owed by bank	
Importers and Traders Bank	29,712.18
Depositors and others	71,560.96
Capital stock and profits on hand	338,175.74
Notes in circulation	85,265.00
Loans and discounts	457,849.94
Specie on hand	29,050.90
Bonds deposited with Comptroller	
Jefferson County Bonds	60,950.00
Madison County Bonds	14,300.00
Leon County Bonds	12,600.00
Pensacola & Georgia Railroad Bonds	58,200.00
Tallahassee Railroad Bonds	76,700.00

BANK OF FERNANDINA, FERNANDINA

Capital stock	$ 94,540.00
Circulation	33,100.00
Due other banks	39.76
Profits	3,359.22
Due depositors	16,388.57
	$148,427.55
Specie and Deposits of Specie	31,842.79
Due by other banks	352.06
Bill of other banks	1,226.22
Bills receivable	109,462.02
Due from individuals	3,934.34
Suspense Account	1,610.12
	$148,427.55

The last reports of these three banks were made in 1862 when their circulation amounted to $116,252 and specie $55,071. Loans were reported totaling $424,262 and deposits $108,660. The decline in circulation was due to the availability and use of state and Confederate treasury notes.[13]

A number of laws were enacted by the legislature in regard to banking in the early years of the war. Both state and private banks had suspended specie payment before the outbreak of hostilities, and in 1862 the suspension was legalized until a year after the close of the war. In addition, the sale of securities in the hands of the Comptroller was suspended for the same period. Banks and bank agencies were also authorized to move assets and places of business when endangered by enemy invasion.[14] The Bank of St. Johns moved from Jacksonville to Lake City when the federal forces invaded the east coast town in March, 1862.

Currency in circulation during the first year of the war was mainly in bank notes, state treasury notes, and the small change bills of railroads and other large corporations. The "change bills" or "railroad money" were not legal tender, but notes used by the railroads in discharge of obligations and were received in payment of debts to the railroad companies. David L. Yulee, of the Florida Railroad, wrote in 1870 that: "The history of the issues of this description dates back to the beginning of the State Government . . . The general use of them grew out of the necessities of a frontier country of limited capital and resources. The Constitution of the State did not allow the banks to issue notes below the denomination of five dollars. The amount of silver in the country was too limited for the requirements of the people—and the use of small promissory notes by the railroads became almost indispensable to the convenient transaction of their business with their customers. They were first used by the Tallahassee R. R. Company, and all the Companies adopted afterwards a similar plan. I enclose an example of one of these as issued by this company (the Fla. Railroad) before the Civil War. The use of them by the Tallahassee company has continued uninteruptedly for the past twenty years."[15]

3. PAPER CURRENCY

The unsatisfactory condition of the public finances of Florida was soon revealed. Since there was a very small sale of state bonds, the state resorted to the printing of treasury notes, but the problem of sustaining the value of these notes was extremely difficult. State treasury notes were the sole remaining resource for the satisfaction of public debts, current expenses, pay for soldiers in the field, poor relief, and support of the Confederate

government. "To declare nonchalantly that notes be issued and to print them proved easy as long as the paper lasted; but to induce people to use them at their face value proved impossible."[16]

In 1862 the entrance of treasury notes of the Confederate States government reached Florida and caused a major disturbance in the currency situation. The people began to hoard the Florida treasury notes and to circulate the Confederate notes in payment for taxes. The state notes were used to purchase public lands which had previously sold only in exchange for specie. As the war years passed the value of both Florida and Confederate notes continually declined and such notes were circulated at an ever-increasing discount. By the end of 1862 bank notes had almost disappeared in competition with the printed monies of the state and Confederate governments.[17]

By legislative action the authorized issue of Florida treasury notes reached $2,245,000. The first issue, $500,000, was for a legal tender in 1861, and a second issue of $500,000 in the same year was for the state's share of the war tax to the Confederate government.[18] In 1862, $300,000 in treasury notes was authorized as additional legal tender and an issue of $300,000 for the relief of soldiers' families, and $200,000 for fractional bills.[19] A further issue of $300,000 for relief of soldiers' families was passed in 1863, and the final issue of $350,000 for general relief in 1864.[20] There is no accurate record of the number or value of notes placed in circulation. It is estimated that $1,800,000 of these notes were outstanding in May, 1865, which with the $300,000 in war bonds sold, made the war debt of Florida about $2,100,000. After the war the State treasury notes and bonds were repudiated as part of an illegal debt.[21]

4. THE WAR ECONOMY

The annual expenditures of the state in the war years averaged $500,000, divided between supplies for state troops, the Confederate direct tax of 1861, relief for dependents of servicemen and indigents, and hospital care for Florida veterans, both in the State and the other southern states. Taxes of the Confederate government, in addition to that of 1861, were the Impressment Act and the General Tax Act of 1863. Under the former, Confederate agents seized food and other products for

the armed forces at prices arbitrarily set by boards of officers. Impressed goods were either shipped to disposal points elsewhere or warehoused in depots established in the larger towns. The general tax authorized levies of eight per cent on many agricultural products, occupational licenses from $50 to $500, fifteen per cent tax on all incomes, ten per cent profits tax on many commodities, and a further tax of ten per cent (tithe) of all agricultural products.[22]

As part of the federal effort to subdue the seceded states, the United States Navy placed blockading squadrons on the southern Atlantic and Gulf Coasts. In the first year of the war the business of running the blockade was usually conducted through legal channels with clearance papers approved by Confederate customs or military officials. Sponsors of these enterprises bonded themselves to assure the importation of supplies for government use in return for permission to export cotton, naval stores, and tobacco. On occasion, the blockade runners arrived with arms and ammunition. In March, 1862, a ship made the inlet at New Smyrna, unloaded the cargo on the beach, and departed before capture by the federal ships on the blockade. Governor Milton sent a force of two hundred wagons to the east coast to secure the munitions brought through the blockade.

As the war continued and the federal forces strengthened the blockade, the dwindling supplies and the increased demand encouraged the blockade runners to import cargoes of consumer goods which could be retailed at exorbitant prices when transported into the interior. The easy money to be gained encouraged even public officials to engage in the traffic. Thus, Milton wrote in October, 1862, that "salt was selling at $10 per sack on first arrival of blockade runners, but as soon as Confederate Quartermaster Sumner arrived, things changed and salt was sold at $30 per sack and at even $50 in other localities."[23]

The insignificant commodity, salt, assumed an extraordinary importance when the usual sources of supply were blocked. As Florida was a principal source of meat for the Confederacy and salt was necessary for its preservation, the production of the element received increasing attention as the war progressed. With the long coastlines, indented by bays and bayous, and with sea water of high brine content, salt-making became a

major industry. Although salt-makers operated along the Gulf-coast from Manatee to Pensacola, the industry was more highly developed from Taylor County to St. Andrews Bay.[24]

Insofar as industrial production affected by the war was concerned, Florida had imported all manner of manufactured goods before the war. During the war, such goods and commodities were either "home-made" or not at all. Stores sold their stocks and either closed out or reduced operations. Monticello apparently became the lone seat of manufacturing with a small cotton mill, a wool-card factory, and a shoe factory. General William Bailey, the proprietor of the cloth mill, devoted the output to supplying Florida troops and helping poor families by sending bales of yarn and cloth to the interior counties. Bailey estimated that he had foregone profits of at least $300,000 while Governor Milton stated that supplies for the troops were purchased at half the prevailing prices.[25]

The status of agriculture during the war declined as thousands of men in the armed forces reduced the pre-war manpower on farm and plantation. The staple crops of corn, cane, peas, and potatoes were cultivated for home consumption, but the production of cotton and tobacco fell off considerably. In south Florida, however, on the prairies of the Kissimmee Valley and along Peace Creek, the ranchers were active in supplying cattle for beef and hides for the Confederate forces. By 1864 Florida beef was the major source of meat rations for the army in the southeast.

In the early years of the war, from April to August, Jacob Summerlin and other Florida cattlemen, were driving six hundred head of cattle a week to the railroad yards at Baldwin. In 1861-1863, Summerlin was reported to have sold the Confederacy 25,000 steers at eight dollars a head. In 1864, General John K. Jackson reported on the Florida peninsula as follows: "Its productive capacity is very great and the character of its supplies of inestimable value to the Confederacy. The sugar and syrup there produced cannot, I believe, be supplied by any other portion of the Confederacy. From official and other data I learn that the product of army supplies will amount annually to 25,000 head of beeves, 1,000 hogsheads of sugar, 100,000 gallons syrup, 10,000 hogs, 50,000 sides of leather, 100,000 barrels of fish (if labor is available) . . . Oranges, lemons, arrowroot, salt, block-

ade goods, iron, etc. Counting the bacon at one-third pound and beef and fish at one pound to the ration, there are of meat rations 45,000,000—enough to supply 250,000 for six months."[26]

Florida's part in feeding the soldiers of the Confederacy assumed large proportions in the closing years of the war. Both sides realized the heavy stakes involved in this battle of supplies, a fact that was borne out in the largest military action of the war at Olustee in 1864. This battle, which took place near Ocean Pond, east of Lake City, was the major effort of the federal forces to cut this vital Confederate life-line. The defeat and withdrawal of the federal forces at Olustee was a tribute to the Confederate soldiers who realized the importance of Florida as one of the few remaining food-baskets of the South.

As the last year of the war wore on, the strength of the Confederacy ebbed away. Corn, meat, and salt were scarce; desolation held the occupied areas. Each day brought news of another disaster; a century of sorrow was crowded into a year. The end of the war found the mass of people relieved that the bloody conflict was finished, and the veteran who said "Thank God it is over, one way or another" expressed the common feeling. The physical costs of the war totalled over a billion dollars in property destruction in the South; real property assessments dropped twenty-three million dollars in four years while the millions of dollars in slaves were wiped out. Almost twenty thousand Floridians served in the armed forces; in four years, five thousand were dead in combat or from disease. Thousands of others were disabled by wounds, disease, or imprisonment, but an even greater cost was the loss of hope. One Floridian wrote that "political power and influence have passed away, and the proud statesman of the South cannot exercise the rights of citizenship. What more could the bitterest enemy ask?"[27]

NOTES — CHAPTER VI

1. *St. Augustine Examiner,* November 10, 1860.
2. Dorothy Dodd, "The Secession Movement in Florida," *Florida Historical Quarterly,* XII (October, 1933), 54.
3. Williams, "Florida in the Union," *loc. cit.,* 582.
4. Rerick, *Memoirs of Florida,* I, 249-250.
5. William L. Gammon, "Governor John Milton," (Unpublished Master's Thesis, University of Florida, 1948), 87.

6. *House Journal, 1860,* 8-12.
7. William W. Davis, *The Civil War and Reconstruction in Florida,* (New York, 1913), 91.
8. Ordinance 49, 1861 Convention; Chapter 1097, *Laws of Florida, 1861,* 43-46; "Report of Register of Lands," *Senate Journal, 1862,* 100.
9. Chapter 1097, *Laws of Florida, 1861,* 43-46.
10. Marckhoff, "Currency and Banking in Florida," *loc. cit.,* 138.
11. Chapter 1141, *Laws of 1861,* 87; Chapter I, 282, *Laws of 1862,* 30.
12. *House Journal, 1860-61,* 139, 140-141, 178.
13. Thomas, "Florida Finance in the Civil War," *loc. cit.,* 314.
14. Chapters 1, 265; 1, 266 and 1, 277 *Laws of Florida, 1862,* 14-15, 26-28. Funds of the state were on deposit in the State Bank of Florida at Tallahassee and the Bank of St. Johns in 1863. *House Journal, 1863.* Appendix, 15 and Yulee v. Canova, 11 Florida 13.
15. D. L. Yulee, Vice-President, Florida Railroad to Horatio Jenkins, August 2, 1870, Yulee Papers, P. K. Yonge Library of Florida History, University of Florida.
16. Davis, *Civil War and Reconstruction in Florida,* 180-181.
17. Message of Governor Milton, November 21, 1864, *House Journal,* 17-18.
18. Chapters 1,097 and 1,297, *Laws of Florida, 1861.*
19. Chapters 1,337 and 1,372, *Laws of Florida, 1862.*
20. Chapters 1,420 and 1,463, *Laws of Florida, 1863-1864.*
21. Annual Reports, Comptroller and Treasurer, Appendix, *House Journal, 1864, 1865.*
22. Davis, *op. cit.,* 186-187.
23. *Ibid.,* 199.
24. Ella Lonn, "Federal Raids on Salt-Making in Florida, 1862-1865," *Florida Historical Quarterly,* X (April, 1932), 167-184.
25. Dorothy Dodd, "The Manufacture of Cotton Before and During the Civil War," *Florida Historical Quarterly,* XIII (July, 1934), 12-13.
26. Cited in Davis, *op. cit.,* 270-271.
27. E. C. Cabell, "White Emigration to the South," *DeBow's Review,* I (January, 1866), 92.

Chapter VII

A NEW START: 1865 - 1900

1. TRANSITION AND RECONSTRUCTION

In May, 1865, martial law of the United States supplanted the civil law of Florida, though local officials were requested to continue their offices. By June 15th military garrisons had been established in the towns of the state. During the first weeks of the occupation, railroad and telegraph lines were reopened and placed in operation by federal forces, and mail and commercial shipments were resumed.

The most perplexing result of the war came with the emancipation of the Negro slaves, as both white and black were slow to realize the impact of the end of slavery. Ellen Call Long remembered that "Some families were disturbed by the sudden departure of house servants, but generally both white and black accepted the situation together, willing to wait and learn the duty required respectively. Taking all things into consideration, no race could have behaved better than our Negroes."[1]

The effects of the war left most Floridians bankrupt and destitute. The widow of Achille Murat was so impoverished that "she requested stores and medicine from the commanding general of the Union troops who took over Tallahassee. Without sufficient labor she was unable to cultivate her plantation, and so encouraged her former slaves to grow their own foodstuffs while she attempted to support herself through the sale of her jewels."[2] When, after the war, Frederic Fleming returned to Hibernia on the St. Johns, to find the plantation house inhabited by army deserters, he was forced to eject the usurpers.[3] Francis Eppes, grandson of Thomas Jefferson who had settled in Leon County in 1827, found the war had swept his lands and wealth away. In 1867, at the age of sixty-six, he moved to Orange County where a citrus grove was started, along with a log cabin in the wilderness of central Florida.[4]

Impressions of Florida after the war were noted by the journalist, Whitlaw Reid, who found at Fernandina that the "rebels are beginning to return, and disputes as to property are already common." From his observations, Reid came to the conclusion that "the country contained little more than is needed

for the sustenance of the inhabitants. Trade may come by and by, when Florida begins to be used again as a grand national sanatarium; but for a year or two, the openings for business with the Floridians are likely to require very little of the capital now looking for Southern investments."[5]

In 1866, Ambrose B. Hart, of New York, arrived in Jacksonville and like many other northerners began looking for a proposition for profitable investment in an economic enterprise. On the St. Johns River, Hart found that "everybody here has now got the orange fever." In December, 1866, sweet oranges sold on the trees at two to two and a half cents each with a thousand to two thousand on the average tree. "The people of this state are terribly poor at present as almost their entire property was invested in negroes." He wrote that Jacksonville was "full of northern men" and that most of the East Florida saw mills were then owned by Yankees. The greatest drawbacks, Hart found, were the lack of banking facilities and the high prices of supplies, the latter fifty per cent higher than in New York.[6]

The residents of Jacksonville "set to work to obtain a living and to collect what little remained to them after a desolating war . . . In time a few of the old merchants brought in goods and opened stores. Business revival crept slowly onward during 1866 and into 1867. With the peace the privately owned steamboats that had survived crept from their hiding places and appeared again on the St. Johns. Several sawmills were now in operation, and the hum of small industry could be heard. Northern capital had already arrived seeking legitimate investments in lands and sawmills; tourists, too, braved the tedious journey south and began to come in numbers. So it may be said by the fall of 1867, Jacksonville had started on the road to business revival."

A comparison of the taxation reports of 1860 and 1870 reveal that the true value of real and personal property in Florida in 1860 was $73,000,000 and state valuation for tax purposes was $49,500,000; in 1870 true value was not given, but state valuation for tax purposes was set at $29,760,000. In 1870 the population rose to 187,746 (96,057 white and 91,689 Negro), which was a forty per cent gain in people over 1860, a remarkable growth due in large part to immigration after 1865. Improved lands were estimated to total 736,000 acres with cash value of farms at

$10,000,000 and livestock at $5,000,000. Capital invested in manufacturing was estimated at $1,700 while the number of persons employed was set at 2,750.[7]

2. PRIVATE BANKING

In the post-war years of reconstruction, banking facilities were often offered by merchants as a sideline in their business, usually as correspondents of New York banks. B. C. Lewis, a vice-president of the State Bank of Florida at Tallahassee, conducted a private lending business as early as 1856. After the war the firm continued as B. C. Lewis and Son, and by 1870 was engaging in deposit business to the extent of twenty-five depositors with a total of $12,000.[8] Later another son entered the firm, and the business continued as B. C. Lewis and Sons, Private Bankers.

Among other private bankers of the post-war years, and dates of establishment, were Anderson, Hyer and Company of Pensacola, 1865; William A. Mackenzie and Company of Apalachicola, 1867; D. G. Ambler of Jacksonville, 1868; Frank Dibble of Jacksonville, 1869; W. B. C. Duryee of Fernandina, 1870; Creely and Paine, Jacksonville, 1872; H. F. Dutton and Company, Gainesville, 1873; F. C. Brent, Pensacola, 1876; W. B. Barnett and Sons, Jacksonville, 1877; and John Jay Philbrick and Charles T. Merrill of Key West, 1876-1880.[9]

According to Homans' *Bankers Almanac* the number of private banks in Florida varied from seven to nine from 1877 to 1883. In' 1884 the number of private banks was reported as seventeen; in 1877 and 1888, twenty-seven; in 1899, eleven; and in 1909, thirteen.[10] Many of the private bankers organized firms, as will be seen later, which became state and national banks; while others continued as private bankers for many years.

An interesting advertisement of a private banker of the period is worthy of note (from the December, 1870, issue of the *Bankers Magazine):* "Florida—Mr. D. G. Ambler, banker at Jacksonville, Florida, offers his services for the collection of commercial paper payable in that State; also for the purchase of lands, to order. Real estate in Florida, including cotton plantations, etc., offers favorable investments to northern capitalists. The references of Mr. Ambler are Messrs Duncan, Sherman & Co., bankers, N. Y., Harves and Macy, N. Y., M. A. Wilder & Son, N. Y."

The first bank started south of Jacksonville was the private bank of William J. Winnegar and Company at Palatka in 1881. The Winnegar bank was absorbed by the First National Bank of that city when organized in 1884.[11] Conditions in the interior of the state were described by William F. Blackman who wrote "there were no organized banks in Orange County. W. G. White, merchant, operating a general store at the corner of Church Street and Orange Avenue, Orlando, had purchased a large iron safe for his personal use. Persons living in Orange County availed themselves of the opportunity of leaving any moneys or valuables that they had with him in packages for safekeeping. Any drafts or bills of exchange which were received in payment for cattle sold in Cuba or for the infrequent shipment of oranges, or for any other purpose, were remitted by Mr. White to Jacksonville and New York merchants in payment of goods which he purchased, credit being given to the parties who owned it very largely in exchange for merchandise. There was little need of exchange in the community at that time. . . .

"On January 23, 1883, a private bank was organized in Sanford known as the Lyman Bank, with Mr. Moses Lyman as president, Mr. Fay S. Phelps, cashier, and Mr. Frank Forster, assistant cashier. This bank was reorganized November 1, 1887, as the First National Bank. . ."[12] The Bank of Orlando, an unchartered bank, began business in the latter part of 1883 with Charles Joy as president and Nat Poyntz as cashier. In 1886 this bank was reorganized as the First National Bank.[13]

The Bank of Tampa, first established as a branch of the Jacksonville firm of D. G. Ambler, John L. Marvin, and J. N. C. Stockton, was opened on November 3, 1883. Thomas C. Taliaferro served as cashier in a small building on Washington Street. With the coming of the cigar industry, the Bank of Tampa prospered and soon moved to the first brick building in the town. On May 6, 1886, the bank received a national charter and became the First National Bank of Tampa which is still an active association and the oldest bank in the state doing business under its original name.[14]

In 1884 the Bank of Key West was organized as a private bank by George Lewis, president of B. C. Lewis & Sons, bankers of Tallahassee, and George W. Allen, deputy collector of internal revenue in the island city. "Lewis embarked in the banking business in Key West largely because of ill health, having suf-

fered for some time from bronchial troubles, which necessitated him spending his winters in a warm climate." The Bank of Key West received state charter number eight in February, 1890.[15]

Other private banks established in the 1880's were: The Bank of Lake City, N. S. Collins, cashier; Bank of St. Augustine, George W. Giblis, cashier; Bank of Ocala, John F. Dunn, J. M. Blair, and E. P. Dismukes, proprietors; and the Merchants' Bank of Pensacola.[16]

The growth of private banking in Florida, to a total of twenty-seven private banks in 1888 was the direct result of the stringent state and national banking laws which had survived from the Civil War period and will be analyzed later. The private banks were established "by anyone who could inspire enough confidence in his neighbors to secure the deposit of their funds, and operated according to the judgment of the owner without any interference from state or federal authorities. While a few of these bankers turned out to be rascals or to lack sound sense in making loans, by far the great majority were honest and able, and subsequently incorporated their institutions when the volume of their operations warranted."[17]

As private banking was not controlled by governmental agencies, the reporting of their resources was random at best. In 1875, the *Bankers' Magazine* gave the average capital of six private banks as $2,000 and average amount of deposits as $15,441. In 1878, four private banks reported a total capital of $44,500 and total deposits of $245,016.[18] In 1880, the Comptroller of the Currency reported on eight private banks with total capital of $81,830 and total deposits of $272,706.[19]

3. THE FREEDMEN'S BANK

Federal activity in Florida banking took place as a part of the national plans for the reconstruction of the former Confederate States. By congressional act of March, 1865, the Bureau of Refugees, Freedmen, and Abandoned Lands was created as a division of the federal war department. The purpose of the Freedmen's Bureau was to furnish provisions, clothing, shelter and fuel to the needy ex-slaves and their families. One provision of the act concerned the allotment of land to worthy freedmen and from that provision grew the misleading slogan of "Forty acres and a mule." Insofar as economic, medical, and educational assistance to both black and white in Florida was

concerned, the name of the bureau was generally blessed, but the political (and banking) activity of the agency created dissension to the extent of damning the name in most of the annals of reconstruction.

The Freedmen's Bureau distributed tens of thousands of rations in the year after the war, and as late as March, 1867, 1,500 whites and blacks were carried as dependents. An orphanage at Fernandina, a hospital at Jacksonville, and thirty-eight schools were operated by June, 1866.[20] In the field of finance the Freedmen's Savings Bank and Trust Company was incorporated, as a supplement to the Bureau, to serve as a financial bulwark for the money of former slaves and their descendants.

The supposed operation of the bank was to accept the Negroes' savings and to teach them thrift. At first the bank operated with federal securities, but in many of the branches these were soon replaced with worthless stocks and valueless mortgages and notes. Branches of the bank were opened at Jacksonville, in March, 1866, and at Tallahassee in the following August. "Attractive bank books were issued to Negro depositors, and the Bureau agents encouraged the blacks to put their surplus earnings in the bank. The Florida branches were soon doing a general banking business—making loans on various sorts of notes, on cotton, lumber and even real estate."[21] The following advertisement appeared in *Hawk's Jacksonville Directory* for 1870:

National Freedmen's Savings and Trust Co.
Chartered by Congress
Jacksonville Branch

Deposits Received from five cents upwards and *Interest Credited* three times a year at the rate of five per cent.

Special rates allowed to business men and others who desire to deposit on short time.

All deposits subject to check on sight.

Buy and sell exchange on New York and all prominent points West or South.

Collections made at reasonable rates.

Gold and silver bought and sold.

W. L. COAN, Cashier

Banking rooms Hoeg's Block, corner Ocean and Bay Streets.[22]

On June 20, 1874, Congress passed an act placing the entire Freedmen's Bank into the hands of a board of commissioners to liquidate the institution. Mismanagement throughout the system brought a clamor through the North which demanded that the Bank be taken out of business. Liabilities for deposits in February, 1874, at Jacksonville were $22,000 and at Tallahassee, $40,000. By June the deposits at Jacksonville were $30,000 and at Tallahassee, $23,000. After closure, dividends of sixty-two per cent were paid to almost 500 depositors at Jacksonville and 300 at Tallahassee.[23]

4. EARLY NATIONAL BANKING IN FLORIDA

A uniform and sound system of note issue has been a continuing problem of American history. On the death of the Second United States Bank in 1836, attempts to establish a third bank failed. In 1846 the Independent Treasury System was created to care for public funds, but banking and note issue passed through a period of "wild catting," especially in the South and West. The exigencies of the Civil War brought about the passage of the national banking system in 1863-1864. The proponents of the national bank act were interested in securing a market for government bonds and in providing a sound and uniform currency.[24]

The National Bank Act established a separate bureau in the Treasury Department for the issue and regulation of the national currency under a Comptroller of the Currency to supervise the new system. The law provided that national banks could be formed by five or more persons with a minimum capital of $50,000 in cities of less than 6,000 population, $100,000 for cities of less than 50,000, and $200,000 for all other cities.[25] The new banks were prohibited from making loans on real estate except for the transaction of their business or secured in the protection of a loan on other collateral. The new banks might engage in the discount and negotiation of promissory notes, drafts, bills of exchange, and other evidences of debt and to receive deposits, deal in coin, bullion, exchange, make loans on personal security, and issue notes for circulation.

Banks were required to deposit in the Office of the Treasurer of the United States to an amount of at least $30,000 or at least one-third of the capital stock of each bank which would be held to secure note circulation. Thereupon the Comptroller of the Currency would issue notes in denominations from $1.00 to $1,000.00 to the extent of ninety per cent of the value of the bonds deposited. The total volume of bank notes was set at $300,000,000.

The restrictions of the National Bank Act, with a minimum capital of $50,000 to be established in a city of not less than 6,000, were too severe for the organization of an association in Florida. In the first place, there was no capital available within the state as a result of the post-war depression. Secondly, there was no great need for banks capitalized at $50,000-$100,000. The federal census of 1870 reported only four cities in the state: Jacksonville, 6,912; Key West, 5,657; Pensacola, 3,347; and Tampa, 796. In 1880, these cities reported: Jacksonville, 7,650; Key West, 9,890; Pensacola, 6,845; and Tampa, 720.[26] The Jacksonville population of 1870 was abnormally increased due to temporary residents.

The first national bank in Florida was organized at Jacksonville on May 26, 1874, and was given charter number 2174 by the Comptroller of the Currency on August 24, 1874. The First National Bank of Florida opened its doors for business on September 26th with a capital of $50,000.[27] The institution was the result of the efforts of James M. Schumacher of Mohawk, New York, son-in-law of General F. E. Spinner, who was then Treasurer of the United States. Schumacher had come to Florida at Spinner's suggestion and proceeded with the establishment of the bank. Among the stockholders were General Spinner; T. W. C. Moore, another son-in-law of Spinner and later national bank examiner; W. C. Squire, later senator from the state of Washington; and the Remingtons of Ilion, New York.[28] The bank paid dividends ranging from ten per cent in 1876 to three per cent in 1878, suffering a loss of five per cent in 1879-1880. In 1880 the deposits were $157,203; loans, $128,556; and surplus, $2,000.

The First National Bank of Jacksonville remained the only national bank in the state until 1880 and enjoyed a steady growth, as follows:[29]

	Resources	Loans	Deposits
1875	$167,225	$ 55,794	$ 70,833
1878	184,857	77,921	50,949
1881	347,415	201,885	244,521
1885	389,973	151,874	267,368

"In the last few years of its existence the bank became involved with phosphate investments that finally caused its downfall."[30] A receiver was appointed for the bank on March 14, 1903.

The second national bank charter granted in Florida, number 2194, was for the Ambler National Bank of Florida, Jacksonville, which was organized in August, 1874. D. G. Ambler and associates raised a capital of $42,000, and the bank was chartered in October, but for reasons not now known the bank was placed in voluntary liquidation on December 7, 1874, and never issued any national bank notes.[31] Ambler later organized and was active in the Bank of the State of Florida, Jacksonville, (1883) which was succeeded by the National Bank of the State of Florida, Jacksonville, in 1885. The latter bank was absorbed by the Atlantic National Bank, Jacksonville, in 1903. From 1881 to 1890, Ambler was the senior partner of the firm of Ambler, Marvin, and Stockton which established the Bank of Tampa (later First National Bank of Tampa) with J. P. and T. C. Taliaferro in 1883. On the dissolution of Ambler, Marvin, and Stockton, John L. Marvin organized the Merchants National Bank of Jacksonville in 1892 while Ambler and J. N. C. Stockton continued as officers of the National Bank of the State of Florida.[32]

The second national bank, the First National Bank of Pensacola, was organized in the summer of 1880 with charter number 2490. Martin H. and J. J. Sullivan, natives of Ireland, were active in the promotion which raised the capital stock of $50,000. In the first year the Pensacola bank reported resources of $154,584, with loans of $81,713 and deposits of $74,023. By 1883 the resources were $190,693; loans, $105,429; and deposits, $103,390; in 1885, $151,643, $85,453, and $61,235, respectively. The Pensacola bank continued in operation until a receiver was appointed in January, 1914.[33]

The third and fourth national banks were both established in Palatka in 1884. The First National Bank of Palatka, charter number 3223, and The Palatka National Bank, charter number 3266, reported resources of $387,682 and $93,401, respectively, in

1885. Both banks were shortlived, the Palatka National closing in 1887, and the First National in 1891. In 1885, the National Bank of the State of Florida, charter number 3327, with capital stock of $100,000 succeeded the Bank of the State of Florida in Jacksonville. This bank reported resources of $387,682, loans of $170,146, and deposits of $242,331 within a few months after receiving a national charter. The National Bank of the State of Florida was placed in voluntary liquidation on September 8, 1903, and was absorbed by the Atlantic National Bank of Jacksonville with charter number 6888.[34]

The year 1886 was a banner year for new banks as the number of national banks doubled with the chartering of the First National Bank of St. Augustine, the First National Bank of Orlando, the First National Bank of Ocala, and the First National Bank of Tampa. Of the four, only the Tampa bank is still an active organization. "During its long existence, the First National has had seven presidents. John N. C. Stockton served until 1889 when he was succeeded by D. G. Ambler who headed the institution for two years and was followed by James P. Taliaferro, who served until 1903. He was succeeded by T. C. Taliaferro, who continued as president until 1927, when he became chairman of the board. R. J. Binnicker, who had been vice-president since 1922, was then made president. . . . In 1934, he was succeeded by E. P. Taliaferro. In January, 1950. . . . V. H. Northcutt, who had been executive vice-president since 1943, was named president."[35]

Of the three national banks chartered in 1887, two closed and one was absorbed; in 1888, the National Bank of Jacksonville and the First National Bank of Gainesville were chartered and both remain active. The National Bank of Jacksonville was the successor to the Bank of Jacksonville, organized by William B. Barnett in 1877, was capitalized at $150,000 and listed William B. Barnett as president and Bion H. Barnett as cashier.[36] When William B. Barnett died in 1903, Bion H. Barnett succeeded his father as president. The charter of the bank expired in 1908 and the National Bank of Jacksonville was liquidated and reorganized as the Barnett National Bank of Jacksonville, taking the new name in honor of the bank's founder.

The only national charter granted in Florida in 1889 was number 4132, to the First National Bank of Tallahassee. This new bank succeeded, in part, to the business of B. C. Lewis and

Sons, Private Bankers, the oldest banking house in the state. George E. Lewis, grandson of the founder, wrote that, in 1889, "my father and my uncle took out two charters—The First National Bank of Tallahassee, and the State Savings Bank of Tallahassee. When I entered the banking business in 1901, we were running two banks at the same office and we kept two entirely separate and distinct sets of books."[37] By 1901 the Lewis institutions carried $500,000 in deposits and five employees: George Lewis, president; W. C. Lewis, cashier; B. C. Whitfield, savings teller; Wallace Quarterman, teller and bookkeeper; and George E. Lewis, bookkeeper.

In 1890, John L. Marvin bought out the interests of his partners in the firm of Ambler, Marvin & Stockton and incorporated the firm, under charter number 4332, into the Merchants National Bank of Jacksonville. The bank passed into receivership in March, 1897. In the same year the Gulf National Bank of Tampa was chartered, but was unable to survive the panic of 1893 and closed its doors in less than three years.[38]

Four national banks were chartered in 1891: The Tampa National Bank, First National Bank of Fernandina, Polk County National Bank of Bartow, and the First National Bank of Key West. The Tampa and Bartow banks passed into voluntary liquidation, the former in 1892, and the latter in 1929. The Fernandina and Key West institutions have continued as active banks, but under changed names. The last three national banks chartered before 1900 were: the Putnam National Bank of Palatka, 1892; the Citizens National Bank of Pensacola, 1893; and the Exchange National Bank of Tampa, 1894. The Palatka bank closed in 1932. The Pensacola bank was combined with the Peoples National in 1911 to form the Citizens and Peoples National Bank of Pensacola. Both the Pensacola and Tampa institutions continue as active organizations.[39]

National banking in Florida from 1874 to 1900 grew from one bank with assets of $76,000 to fifteen banks with assets of $8,747,000 (see Table IV). In twenty-five years, national banks were chartered at the average rate of one a year. By 1900 fifteen of the twenty-five were active banks, seven of the banks had failed, two had liquidated voluntarily, and one was absorbed by a bank which later failed (see Table III). When the vicissitudes which had plagued the state and the nation are considered, the national banking record of these years in Florida compares favorably with those of other states.

TABLE III [40]

NATIONAL BANK FAILURES: 1887 - 1900

	Date	Assets
Palatka National Bank, Palatka	1887	$ 56,529.00
First National Bank, Palatka	1891	485,465.00
Gulf National Bank, Tampa	1893	151,435.00
First National Bank, Ocala	1895	437,018.00
First National Bank, Orlando	1895	225,218.00
Merchants National Bank, Ocala	1897	247,088.00
Merchants National Bank, Jacksonville	1897	346,493.00

TABLE IV

PRINCIPAL ITEMS OF RESOURCES AND LIABILITIES OF NATIONAL BANKS IN FLORIDA, 1874 - 1899

(In thousands of dollars) [41]

Date	No. of Banks	U. S. Bonds	Loans	Cash, etc.	Captial	Surplus	Undivided Profits	Note Circulation	Deposits	Total Assets
1874	1	$ 5	$ 30	$ 30	$ 38	......	......	$ 27	$ 11	$ 76
1875	1	56	50	33	50	......	$ 5	41	71	167
1876	1	59	53	34	50	$ 1	4	44	66	166
1877	1	77	50	16	50	2	2	45	48	167
1878	1	82	68	15	50	2	3	45	51	185
1879	1	73	90	26	50	2	6	45	100	206
1880	2	129	81	31	100	2	4	45	157	312
1881	2	290	81	69	100	8	8	67	319	502
1882	2	292	80	90	100	11	15	55	401	582
1883	2	371	80	97	100	15	13	58	401	600
1884	3	432	93	109	150	16	11	122	496	787
1885	5	645	203	207	300	20	36	120	782	1,334
1886	9	1,298	301	298	550	33	60	165	1,437	2,462
1887	8	1,442	282	318	500	66	52	147	1,516	2,508
1888	13	1,980	480	402	897	99	79	195	2,049	3,725
1889	13	2,459	492	277	950	131	106	239	2,352	4,279
1890	16	3,640	442	310	1,150	174	151	291	3,364	5,604
1891	17	3,868	455	408	1,200	210	186	303	3,629	6,108
1892	18	4,272	455	456	1,350	259	232	325	4,481	7,189
1893	17	3,501	442	565	1,300	288	267	325	3,217	6,100
1894	19	4,447	505	447	1,485	350	183	382	4,443	7,476
1895	18	3,815	493	408	1,435	379	186	368	3,950	6,943
1896	17	3,623	480	512	1,350	462	142	363	3,912	6,866
1897	15	3,243	430	556	1,150	463	161	301	3,905	6,489
1898	15	3,045	739	799	1,150	513	134	331	5,102	7,951
1899	15	3,600	705	699	1,150	524	136	384	5,773	8,747

NOTES — CHAPTER VII

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22. Davis, *History of Jacksonville*, 478.
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33. *Annual Reports of the Comptroller of the Currency*, 1880-1885.
34. *Report of the Comptroller of the Currency, 1885*, 470; Barnett, "Early Banking Days in Florida," 30-31; *Webb's Pensacola Directory, 1885-1886*, (New York, 1885), 127-151.
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36. Bion H. Barnett, *Reminiscences of Fifty Years in the Barnett Bank*, (Jacksonville, 1927), 5.
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Chapter VIII

DEVELOPMENT OF STATE BANKING

1. STATE LAW AND BANKING: 1865 - 1888

In the years from the adoption of the Constitution of 1865 to the adoption of the Constitution of 1868, there was no action of the state legislature in regard to banking. The 1865 Constitution virtually repeated the section on banking that had appeared in the St. Joseph Constitution of 1838. The Constitution of 1868 went to the opposite extreme and contained no references to banking other than a grant of power to the legislature to provide a general law for corporations. Under the 1868 document the state was forbidden the power to tax for the benefit of private companies or to pay bonds of chartered companies or corporations.[1]

Carrying out the injunction of the constitution, the first session of the legislature in 1868, adopted a general corporation law and a general banking law. The general banking law of 1868, subject to the general corporation law, provided that a banking association or institution might be established in any place with a population of three thousand or more inhabitants. Powers granted to banks were broad insofar as banking business was concerned except in regard to the ownership of real estate, which was prohibited. Banks were authorized to hold real estate only in default of debts. Minimum capital stock was set at $50,000, "and one-fourth of the capital stock of any such corporation shall be invested in bonds of the State of Florida bearing interest, which bonds shall be deposited with the Comptroller as security for the payment of the deposits received by such corporations."[2] The latter provision was adopted in order to establish a broader market for state and local government bonds and was similar to the provisions of the National Banking Act of 1863 which helped establish a firmer market for United States bonds during the Civil War.

Banks organized under the 1868 law were required to receive ten per cent of the capital stock paid in before transacting business, and debts were not to exceed twice the amount of bonds placed with the comptroller. Public officers were allowed to deposit funds in regularly organized banks, and trustees and

administrators were permitted the bank's stock as investments. The Comptroller was authorized to examine and report on the condition of the banks organized under this law, and a state tax not exceeding twenty-five cents on each share of stock was levied annually.

The restrictions of the 1868 law were as severe as those of the National Bank Act, for as has been seen there was a great dearth of capital in Florida after the war, and as for places of three thousand inhabitants, there were only three in 1880 and but five in 1890. In 1884, Comptroller W. D. Barnes reported that the "Bank of Key West has been established at the City of Key West, with a capital stock of $50,000, of which George Lewis is President; and they have made a deposit of $12,500, of seven per cent State bonds, in compliance with the provisions" of the 1868 law.[3] The Bank of Key West was the only bank chartered under the 1868 law, and this bank secured another charter under a later law in 1890.

In 1870 the legislature chartered the Santa Rosa Railroad, Banking, and Insurance Company with a capital stock of two million dollars to be located in the town of Milton. The company was granted omnibus powers, as its title would indicate, in a charter good for thirty-five years. The same session of the legislature chartered, for twenty years, the Escambia Banking, Building, and Loan Association with a captal stock of $50,000, expandable to $500,000.[4] Neither the Santa Rosa nor the Escambia "associations" were ever organized, although both appear to be still-born creatures of the "carpet-bag" government of the period.

The legislature of 1872 chartered the Planter's Loan and Banking Association of Tallahassee with a minimum capital of $100,000 (a maximum of $5,000,000), but this association likewise never progressed beyond the stage of statutory creation.[5]

There were, however, two special legislative charters granted to associations which became active banks. In 1879 the Merchants' Bank of Pensacola was chartered with an authorized capital of $50,000 to engage in a "general banking business" and deal in real and personal property.[6] The Pensacola bank was authorized to begin business when the $50,000 capital stock had been subscribed and $25,000 of the subscription paid. In *Webb's*

Pensacola Directory of 1885-6 the Merchants' Bank advertised: "Discount days, daily. This bank has a Savings Department which pays 4 per cent on deposits."

In 1883, Daniel G. Ambler, William Lawtey, James P. Taliaferro, and others secured a legislative charter for "The Bank of the State of Florida," to be located in Jacksonville, with a capital stock of $100,000 in shares of $500 each.[7] This bank was authorized to engage in a general banking business and act as trustee upon appointment by a court or selection of individuals. Funds for permanent trust investment were to be in bonds approved by the State Comptroller. Stockholders were made liable for the debts of the bank equal to the shares of stock held in the bank. For deposit security the bank was required to deposit approved bonds to the value of $50,000 with the Comptroller. The charter further authorized this bank to establish branches within the state. As already noted the Bank of the State of Florida received a charter as the National Bank of the State of Florida in 1885, and was absorbed by the Atlantic National Bank in 1903.

The final charter granted by the legislature between 1865 and 1889 was to the City Bank of Pensacola in 1887. The stipulations of the charter for this bank were almost identical to those discussed above: capital stock of $100,000, liability of the stockholders to the amount of the stock, and authority to begin operations when one-half of the stock had been paid for.[8] Like so many other charters granted for banks in the nineteenth century, the charter of the City Bank of Pensacola was allowed to lapse.

From the foregoing discussions of private, state, and national banking the conclusion can be drawn that most of the banking of Florida for thirty years after the Civil War was promoted by outside capital. As David Y. Thomas wrote in 1906, "The Floridans could not start banks, for they had little money for their own use, much less to lend. However, it is noteworthy that though lacking the sums necessary to start large corporations, they had the energy to make an early beginning on small capital in a private way. No doubt the outsiders were attracted by the high rates in interest, which ranged from 10 to 15 per cent during this period, and the hope of reaping the fruits of development in a comparatively backward section. In January, 1866, the legislature had fixed the rate of interest at eight per

cent, but in December of that year "an act to untrammel capital" declared that an enlightened policy made it judicious to leave the rate of interest on money, like the price of other commodities thrown on the market, to be fixed by the laws of supply and demand, and proceeded to repeal all usury laws."[9] The activation of only one bank under the law of 1868 and the operation of two others under legislative charters can be accounted for by the rigid character of the state laws. The number of private and national banks bore further witness to the need for more lenient state banking laws.

2. ECONOMIC DEVELOPMENT: 1865 - 1900

Any consideration of the economy of Florida following the Civil War may well begin with the records of the reconstruction governments of the state. The records begin with the post-war, final repudiation of the territorial bonds and continued with the default on the interest of the pre-war bonded debt. The lack of a solvent state treasury, bankrupted by the war, and the absence of a currency forced the use of an inadequate and inflationary system of fiscal operation of scrip and warrant currency. The scrip and warrants circulated as money and for many years could be bought for thirty cents on the dollar. The state had but little money to pay off obligations, and the people had little money to pay taxes, hence the state issued scrip and warrants which were made receivable for public dues and, in turn, circulated as money at a heavy discount. By 1872 state and local government scrip had been issued to the amount of almost $600,000. When the bonds and appropriations of the reconstruction governments, including scrip, were totalled in 1874, the public debt reached $5,620,809.[10] Thus, Florida was saddled with a massive debt at the outset of attempting recovery from the wasted effort and resources of the war period.

With the election of George F. Drew to the governorship in 1876, the government of the state was fully returned to the "Bourbon Democrats" and the "Carpet-bag, scalawag" days were over. Within his term Drew was able to reduce the debt by a quarter of a million dollars while the ad valorem tax on property for state expenses was reduced from twelve and a half mills to nine.[11] William D. Bloxham followed Drew as governor in 1881, and his administration was marked by rapid growth, increased prosperity, and overall development in all areas of activ-

ity. Population increase was at the rate of about 14,000 persons annually; sale and grant of the public domain for internal improvements was without precedent; railroad construction was the greatest in the state's history; the entrance of northern capitalists accelerated development; industry and agriculture enjoyed prosperity never known before; and public education began to deserve the name. The improvement in the condition of the state was reflected in the increase of the assessed valuation of taxable property from $31,500,000 in 1881 to $70,667,000 in 1885. When Bloxham left office the floating debt of the state had been wiped out; state warrants were accepted at par; and the state treasury showed a balance of $50,000 over demands. State bonds not owned by state funds were reduced to $524,000, and seven per cent bonds were then quoted at a thirty per cent premium.[12]

By far the most important activity of the Bloxham administration was the sale of four million acres of Florida's public domain for the sum of one million dollars in June, 1881. The Internal Improvement Act of 1855 had been the ante-bellum foundation upon which the state had hoped to build railroads, dig canals, and reclaim overflowed areas with the sale or transfer of state land. During reconstruction the internal improvement lands were pledged as collateral for railroad bonds, and the state in turn had guaranteed the interest on the bonds. In 1870 the internal improvement fund was placed in receivership. The sale of the four million acres to Hamilton Disston "disencumbered" the improvement fund. By the end of his term Bloxham and the internal improvement trustees had deeded over three million acres to railroads as a subsidy for construction of transport lines. When Bloxham was inaugurated in 1881, there were 550 miles of railroads in Florida; by 1885, 805 more miles had been constructed; in 1891, ten years after the Disston sale, 2,556 miles of railroad were in operation in the state.[13] Within twenty years after the Disston sale, there were 3,500 miles of railroad in Florida.

From 1834 to 1936 land grants of 9,000,000 acres were conveyed to the land grant roads by the state, with additional grants of 2,220,000 acres by the federal government.[14] The railroads, eager to sell land and promote settlement in order to build traffic advertised their lands for sale and encouraged

migration into the sparsely settled state. The results of such promotions were revealed in the succeeding census reports: by 1885 the total population had grown to 338,406, an increase of twenty-five per cent and a gain of 70,000 over 1880. The census of 1890 gave the state a population of 391,422. This was an increase of almost 122,000 over 1880 and an increase of almost 53,000 over 1885. Cities and towns were led by Key West with 18,000; then Jacksonville, 17,200; Pensacola,11,750; Tampa, 5,532; St. Augustine, 4,742; and Palatka, 3,039. These were the only places with more than 3,000 inhabitants; there were but six towns in the 1,000-2,000 range.[15] By 1895, the state census gave the state a total of 464,600, a gain of 73,217 over 1890; by 1900 the total had reached 528,542, a gain of 137,000 over 1890 and 64,000 over 1895.

With the end of political reconstruction in 1876 and the Disston sale in 1881, the people of Florida, together with the thousands of imigrants, turned their full attention to the development of the industrial and agricultural resources of the state. One of the oldest industries, and the first to be re-established was the manufacture of products from the forests. By 1900 the annual product of the forests of Florida was $19,000,-000 which represented roughly half of the value of the state's manufactures. The number of wage earners in forest products industries rose from 4,363 in 1890 to 7,081 in 1900. The production of naval stores rose from a value of less than $200,000 in 1890 to almost $7,800,000 in 1900.[16]

The aquatic resources, long available for local Florida markets, became very profitable in these years with the development of powered fishing boats, artificial ice manufacture, and rapid express service on the new railroads. In 1897, Governor Bloxham reported an investment of $1,330,000 in salt water fishing with annual production valued at $1,210,000. The nine leading products were sponge, mullet, snappers, oysters, pompano, turtles, trout, mullet roe, and mackerel.[17]

The manufacture of tobacco into cigars was well established in small hand factories in most of the towns prior to the Civil War. After the war the cigar industry developed rapidly, first at Key West and later at Tampa. By 1890 cigar factories were also operating in other Florida towns and cities. The number of cigar makers and employees reached 6,500 in 1900; the

annual product rose from $8,133,220 to $10,891,286 as the cigar industry flourished at the turn of the century.[18]

The discoveries of phosphate deposits in the Peace River in 1885 and in Marion County in 1889 brought the state a new and valuable industry. In the Peace Valley the excitement spread with the rumor of immense profits while in Marion County "the local papers all blew the bubble and the fever for gold, more contagious than 'yellow jack' swept all Florida . . . ten thousand feverishly eager prospectors overran the woods, and every man turned prospector for his own forty acres . . . Ocala became the center for the high grade people, while the pebble men flocked to Bartow. The hotels were filled to overflowing. The Ocala House was like a stock exchange, with excited groups. Any man who carried a piece of white rock in a waist-coat was entitled to a hearing, and eager capital bought lands on such samples . . ."[19] From a production of 3,000 tons in 1888 the phosphate output reached 5,524,708 tons in 1900.

In 1900 the leading industries of the state were tobacco products, forest products, railroad shops, printing and publishing, fertilizer manufacturing, ship building, cotton ginning, box making, brick manufacture, grain milling, and food products which together turned out production valued at $32,411,149. In the same year the value of agricultural production reached $18,525,528, and the total product of the state was almost $51,000,000.[20]

The place of agriculture in the economy of Florida remained important although other products had a higher total value. The production of cotton remained important and the number of bales of cotton rose from 40,000 in 1870 to 57,000 in 1900. By 1900 tobacco crops were planted on 2,000 acres with an annual value of $254,000. Corn acreage topped 570,000 acres with annual production of 5,300,000 bushels, oats were planted on 42,000 acres, and peanuts grown on 70,000 acres produced a million bushel crop.

The production of cattle, both for beef products and dairy products, increased to the extent that by 1900 there were nearly 800,000 head in the state. Cattle ranching on the prairies of peninsular Florida gave rise to cattle kings, like Jacob Summerlin, Francis Hendry, and Ziba King, who were reputed to own herds

of 50,000 cows. The cattle drives of the state began near St. Augustine and continued to Punta Gorda and other Gulf ports where the stock was loaded for shipment to Key West and Cuba.[21]

In the post-war years the opening of railroad connections from Florida to the northern metropolitan areas made possible a great expansion of winter vegetable and fruit production on a profitable scale. Many farmers and planters turned to the culture of vegetables to supply winter fresh produce markets in the northeast. Cabbage, cauliflower, tomatoes, beans, and celery plantings were included in the thousands of acres devoted to truck farming. The greatest agricultural boom, however, came with the expansion of citrus groves, for by 1894 the orange crop reached 5,000,000 boxes and hundreds of acres were being set with citrus trees.

The development of citrus groves became phenomenal after 1880 as wild pine land in desirable locations sold for as high as a hundred dollars an acre. The "orange belt" of Florida, in 1894, included much of the territory of the state and citrus fruits were grown as far north as Fernandina. On December 27, 1894 the thermometer dropped to fourteen degrees above zero in many places in the state, a temperature which defoliated orange trees and froze the fruit on the trees. January, 1895, was relatively warm, but on February 7th, "a blizzard began to envelop the state, and raged until the 8th and 9th. The lowest temperature was observed at Pensacola and Tallahassee on the 8th, 11 degrees above zero . . . Snow fell on February 8th at Manatee and Tampa, and at other points for the first time since 1835; lay on the ground at Tallahassee for three days, the 14th to 17th; and at Pensacola there were reports of sleighing. The effect of this February blizzard was disastrous to the fruit of the State, and particularly to the orange industry. Except in the extreme limits the culture of all young trees was killed to the ground. Old trees were everywhere seriously damaged, and in the northern region destroyed. Pineapples, lemon trees, grape fruit, bananas, and other tropical fruits, as well as growing strawberries and tomatoes, were lost."[22] The estimated damage to the agrarian interests of Florida was between $50,000,000 and $75,000,000, one of the greatest calamities to occur in one of the United States to that time.

Aside from the physical losses the major effect of the freeze was to move the northern line of the citrus region south of Lake George into the southern counties of the state. By 1900 the agricultural economy of Florida had enjoyed a considerable expansion and with thousands of new growers and farmers settled in the state, the outlook was pleasant for further progress and prosperity. While the freezes of 1894—1895 were disastrous to many, nonetheless the citrus industry was moved further south, and at the end of the century was not far from the prosperity of 1890-94. Expansion in citrus, other crops, and livestock continued into the twentieth century as agriculture remained one of the major enterprises in the economy of the state. It may be of interest to note that the freezes of 1894-1895 did not affect the Miami area and thus Henry M. Flagler was encouraged to extend the Florida East Coast Railway southward to that section from West Palm Beach.

3. THE BANKING LAW OF 1889

Economic conditions in Florida in the late 1880's were the most flourishing the state had ever experienced. The establishment of banking institutions had kept pace with the increased development of the state's resources, and in 1889 forty-five were in business over the state. Thirteen of these were national banks, two were operating under legislative charters, one was organized under the 1868 banking law, and the remaining twenty-nine were so-called private banks. Several of the private banks, however, were referred to as "common law" banks since they were incorporated under the general corporation laws of the state.[23] The need for a liberalization of the state banking law of 1868 was expressed in the introduction of a bank incorporation act at the 1887 session of the legislature. The proposed act was passed by the senate, but reached the lower house too late for action.[24]

About the same time the need was felt for a collective banking organization, and Bion H. Barnett recalled (in 1924) that "by 1888 the number of banks in the State had increased to the point where a few of us decided a State Bankers Association would be of benefit to all."[25] The part played by the Florida Bankers' Association in the promotion of a new state bank law cannot be positively determined.[26] However, James M. Schu-

macher, president of the Association, served as state senator from Duval County;[27] John F. Dunn, president of the Merchants National Bank of Ocala, served as senator from Marion and Sumter Counties; and Elisha P. Dismukes, vice-president of the Ocala bank, served as senator from Gadsden County in the 1889 legislature.[28] Dunn was a member of the Executive Committee of the Association and Dismukes was the father of John T. Dismukes, president of the First National Bank of St. Augustine and president of the Association, 1900-1903.[29] Undoubtedly these men influenced the passage of subsequent bank legislation.

The bill which formed the basis of the 1889 bank law was introduced into the senate of the 1889 legislature by Senator E. P. Dismukes, of Quincy, and was referred to the committee on finance and taxation, of which Dismukes was chairman.[30] After a favorable committee report the bill was adopted, with amendments, and referred to the lower house and then to the governor who approved the "act to incorporate banking associations."

The 1889 bank law was composed of thirteen pages in small print and provided for the organization of both commercial and savings associations. Capitalization of commercial banks was set at $50,000, except in places where the population did not exceed three thousand and where, with the approval of the Comptroller, capitalization was set at $15,000. Savings banks could be established at any place with a capitalization of $20,000.[31]

Other provisions of the law were requirements to maintain a twenty per cent reserve against deposits, two-fifths of which was required to be in lawful money and three-fifths in lawful money or in demand deposits in a bank in another place. Restrictions against loans and investments pertained to loans against or purchase of the individual bank's capital stock. The purchase, holding, and conveyance of real estate, except for its own business, was limited much as in previous state laws. Branch banking was authorized with capital assigned and used in definite proportions between the main and branch banks.

Semi-annual reports were required for transmission to the Comptroller though no machinery was created for bank examinations. Existing banks were not affected by the 1889 law, but private bankers were prohibited the use of the word bank in

their titles, except that those then in operation might continue such titles if appended with the words "not incorporated."

"That Act was wisely framed," wrote G. C. Stapylton, president of the Leesburg and County State Bank in 1893, "and is based in its main provisions on the National Bank Act. Amongst other things it provides for periodical sworn statements to the State Comptroller, and for the examination of the condition of a bank, if he thinks fit . . . It gives a country bank more standing and dignity than it would be likely to enjoy as a private institution, and generally speaking, engenders more pride and confidence in it by its patrons."[32]

The 1889 bank law copied several features of the national banking act: references to banks as associations, twenty year charters for banks, requirement that incorporators be natural persons and not corporations, and disposal of real estate acquired to secure debts. These features were removed in 1891 when the legislature of that year adopted the Revised Statutes for "the commissioners who made the revision not only changed the term association to banking company, but eliminated the prohibition of corporations as incorporators, the restrictions on the corporate life of banks and their holding of 'other' real estate, and also inserted a section not in the original act, authorizing the Comptroller to examine banks and to employ persons to make such examinations."[33] The adoption of the revision was as effective as though the 1891 legislature had passed an act to amend the bank law.

4. CHARTERING AND GROWTH OF STATE BANKS: 1889 - 1900

The new banking law was approved by Governor Francis P. Fleming on June 7, 1889 and the Quincy State Bank was the first to be organized. Senator E. P. Dismukes was the president of this institution which was capitalized at $60,000 and began operations on August 20, 1889.[34] On August 30, the Bank of Tavares was organized with a capital of $15,000 and was followed by the Bank of Pasco County in Dade City in September and the Volusia County Bank at DeLand and the Brevard County State Bank at Cocoa in December. In 1890, nine state banks were organized at Titusville, two at Key West, Leesburg,

Ft. Meade, Brooksville, Arcadia, Bartow, and Monticello. Several of these new state banks had previously conducted business as private banks or corporations while the Bank of Key West had been organized under the 1868 law and reorganized under the 1889 law with charter number eight.

Two savings banks, the State Savings Bank of Tallahassee and the Dime Savings Bank of Florida at Jacksonville, opened under the 1889 law. The Tallahassee bank was organized in October, 1889, at the same time as the First National Bank of Tallahassee, and these two banks took over the private banking business of B. C. Lewis and Sons. In 1916 the Lewis State Bank succeeded the First National and in 1920 the State Savings Bank was merged with the Lewis State Bank.[35]

"At the end of 1890, something over a year after banks had begun to operate under the new law, the fourteen state banks which reported showed resources of approximately a million and a half dollars. The fifteen national banks reported six and a quarter millions of resources, bringing the reported total of the state to seven and three-quarter millions which is a small figure from today's point of view, but represented a large sum in the Florida of 1890."[36]

In his annual report for 1890 Comptroller William D. Bloxham noted that the 1889 bank law placed grave responsibilities upon his office, but furnished no means by which the Comptroller could inquire "into the condition of such Associations. As the law authorizes Tax Collectors, County Treasurers and other County and Municipal officers, as well as Administrators, Executors, Trustees, or Guardians to deposit moneys in these banks, an appropriation should be made, to enable the Comptroller to employ an expert for their examination. I have asked for $2,000 for this purpose."[37] The legislature, however, took no action on the request and bank examinations were limited mainly to the submission of periodic reports.

Only one state bank, the Bank of Bartow, was organized in 1891. The Bank of Key West and the DeSoto County Bank of Arcadia were placed in the hands of receivers and the Polk County Bank changed to a national bank during 1891. No state banks were chartered in 1892, but the Bank of Bartow consolidated with the Polk County National Bank on December 21st,

thus reducing the number to eleven and the two savings banks.[38] Seven state banks were chartered in 1893 with two in Orlando and the others at Palm Beach, St. Petersburg, Melbourne, Eau Gallie, and Tarpon Springs. The Dime Savings Bank of Jacksonville closed its doors in August of this year.[39]

The Osceola County Bank of Kissimmee was organized in 1894; and in 1895 the State Bank of Florida at Jacksonville, Capital City Bank of Tallahassee, and the Bank of Madison received charters. During the latter year receivers were appointed for banks at Brooksville, Eau Gallie, and Kissimmee and the Merchants Bank of Orlando converted to a national bank. In 1896 the Bank of Bay Biscayne was organized at Miami. No state banks were chartered in 1897 or 1898. The Bank of Tavares and the Union Bank of Key West went into voluntary liquidation in 1898 while a receiver was appointed for the Bank of Tarpon Springs.[40] Two state banks, Manatee County State Bank at Palmetto and Bank of Manatee at Bradenton were organized in 1899.

In the ten years from 1889 to 1899 the growth of state banks was slow. The deposits of 14 banks in 1890 were $963,328; the deposits of 21 banks in 1899 were $2,801,345. The total resources of the 21 state banks amounted to $3,863,541 in 1899, a gain of almost $2,300,000 over the resources of the state banks in 1893. The "hard times" of the 1890's, complicated by the freeze of 1895, caused banking resources to remain almost stationary until the very last years of the century. In his annual report of 1899, Comptroller W. H. Reynolds noted "the increase in the deposits in State Banks during the past two years is so gratifying as to be deemed worthy of special mention. There are twenty-one state banks . . . with an aggregate paid up capital of seven hundred and ten thousand dollars . . ." The aggregate deposits were:

1897	$1,865,838.98
1898	2,160,632.64
1899	2,801,345.82 [41]

The average amount of deposits in state banks in Florida in 1890 was but $69,000, and the average over the decade of the 1890's was only $76,000. The growth in number of banks was small, "only in 1897 was there a net increase of more than two banks, or an increase of as much as a million dollars of resources; and the larger increase in this year was solely due to the in-

clusion in the combined figures for the first time of four special-charter banks which had been in operation for a number of years but which had not previously reported."[42]

The Florida bank law of 1889, though not perfect, provided opportunity for the development of banking facilities and protection for the depositors. In the decade from 1889 to 1899 several changes were made in the general banking laws, usually on the recommendations of the Governor and the Comptroller. In 1893, Comptroller Bloxham referred to the authorization for the deposit of public funds as "so broad, as to raise a serious doubt as to the liability of the official, or his bondsmen, in case the bank fails while state or county funds are deposited in the bank."[43] Bloxham urged modification of the law to remove doubt as to this liability.

The legislature took no immediate action, but did authorize the Governor, Comptroller and Treasurer "to deposit subject to call the moneys of the State in such banks in the State as will offer the best inducements as to interest and security . . ."[44] In 1894 the Comptroller reported that the revenue derived from interest on the deposits of state money "for the last fiscal year amounted to $2,371.94, more than enough to pay the Treasurer's salary." But the Comptroller stated that "the law should be more definite in defining what character of securities the banks shall be required to give . . . and also defining the method the Treasurer should pursue in selling such securities in case of default."[45]

In 1897 former Comptroller Bloxham began his second term as Governor and in his message to the legislature again made the recommendation for strengthening the law on collateral for state deposits. Bloxham urged that such collateral be restricted to national or state bonds or county and municipal bonds of Florida.[46] In chapter 4,586, Laws of Florida, the legislature endorsed the Governor's suggestion and limited collateral for security of state deposits to bonds noted by the Governor. The act further provided for the sale of such securities in case of default. Interest on state deposits through 1896 amounted to $9,428.19; $5,463.72 in 1897; $3,772.13 in 1898; and $3,522.65 in 1899.[47]

On the subject of the examination of banks Governor Bloxham stated that: "Nothing tends to strengthen confidence in a

community better than a good rating in all business transactions. The banks are a good reflex of such standing, and their frequent examination is the best mode of securing watchful care and conservative operations in their business methods. It is also due to the public that the State should see that the moneyed institutions she charters are worthy of public confidence."[48] Bloxham recommended that all banks be required to incorporate under the general banking law and to report to the Comptroller despite special charters. The Governor further recommended that bank examiners be paid by the state rather than the banks, and that bank reports should be published at the town or city in which the banks were located.

Comptroller W. H. Reynolds, in 1899, reiterated Bloxham's recommendations for reports and examinations for all banks, special charter or general law, as well as state pay for examiners. Reynolds also recommended revision of the laws "to provide that a Receiver appointed by the court, and placed in charge of a State Bank, shall make full report of the condition" of a closed bank, to the Comptroller, to the termination of the receivership.[49]

The only modification of the bank law, however, was an act of 1899 which allowed state banks to invest in national, state, or county and municipal bonds as a reserve requirement rather than to hold the three-fifths of the twenty per cent reserve as a balance in another bank.[50] This modification was a further inducement to organize banks under a state charter.

The taxation of banks in the nineteenth century was, to use the words of D. Y. Thomas, "somewhat slipshod and irregular." The corporation law of 1868 provided a tax up to twenty-five cents on a share of stock. The revenue law of 1872 enacted a license fee of $100 annually for bankers and brokers. An act of the 1891 legislature required banks to advertise the amount of their capital stock and personal property and to deliver a copy of the statement to the tax assessor of the county.[51] In 1893 the legislature required not only that bank's stocks should be assessed at their cash value, but made the tax payable by the banks. In addition, banks were taxed with a license fee based on the amount of capital stock in the association.[52]

These laws, according to Frederick W. Hoyt, president of the Florida Bankers' Association in 1893, "compelled bankers to

pay taxes upon all their capital . . . Just why the man who invests his money in a bank is singled out to pay taxes upon all his investment, while the merchant next door pays only on one-third or one-half of his, is not clear to me; and it does not seem just or reasonable that there should be such a discrimination."[53]

The inequality of assessments continued and was a subject of Bloxham's 1897 message to the legislature in which he noted that "successful banks give in their capital stock at from fifteen cents on the dollar, up, while such stock of many said banks would bring a large premium if offered for sale."[54] The Governor suggested an assessment board composed of the Comptroller, Attorney-General, and Treasurer to assess bank stock state-wide. The Governor noted that the assessed value of personal property in 1887 in Florida was $19,357,500; but that in 1896 the assessment had declined to $16,066,322 "notwithstanding that nearly one million of bank stock had, in the meantime, been added to the assessment."

5. PRIVATE AND SPECIAL CHARTER BANKS

Through the years of the nineteenth century and well into the twentieth century, private banks continued to conduct business along with the incorporated national and state banks. From nineteen to twenty-nine private banks were in operation each year from 1885 to 1895. In the latter year there were more private banks than either state or national banks. Since private banks were not subject to state control before 1900 there is little information on their operations or existence.[55]

The granting of special legislative charters to banking associations continued for some years after the passage of the general banking law of 1889. The legislature of 1889 granted two charters; that of 1891, one; 1893, three; 1895, six; and 1897, one. Most of the chartered associations were never organized, and three of the special charter banks were reincorporated under the general banking law. Two others, the East Florida Savings and Trust Company of Palatka and the Citizens Bank and Trust Company of Tampa, remained in business under their special charters until closed in 1926 and 1929.[56]

TABLE V

Assets, Liabilities, and Capital Accounts — State Banks 1892 and 1899

	1892	1899
ASSETS	*13 Banks*	*21 Banks*
Loans and Discounts	$ 828,579.66	$2,245,665.30
Securities	119,466.27	304,707.27
Checks, Exchange, Etc.	19,450.88	33,660.28
Due From Banks and Bankers	264,610.77	529,672.73
Cash on Hand	163,276.99	428,437.64
Total Cash Assets	447,338.64	991,770.65
Banking House, Furniture, Etc.	54,262.56	143,804.68
Other Real Estate	26,871.59	162,073.23
Other Assets	18,820.54	14,520.08
Total Assets	$1,495,339.26	$3,862,541.21
LIABILITIES		
Demand Deposits, Etc.	$ 952,212.64	$2,687,580.97
Time and Savings Deposits, Etc.	38,971.52	118,459.57
Due to Banks and Bankers	14,257.30	77,780.73
Total Deposits	$1,005,441.46	$2,883,791.27
Bills Payable and Rediscounts	55,662.21	77,516.77
Other Liabilities	21.00	1,790.00
Total Liabilities	1,061,124.67	2,963,098.04
CAPITAL ACCOUNTS		
Capital Stock	$ 375,000.00	$ 710,000.00
Surplus	18,434.10	101,277.45
Undivided Profits	40,780.49	88,165.72
Total Capital Accounts	434,214.59	899,443.17
Total Liabilities and Capital Accounts	$1,495,339.26	$3,862,541.21

Source: Annual Reports of State Comptroller, 1892 and 1899.

NOTES — CHAPTER VIII

1. For the several constitutions of the state see *Florida Statutes Annotated*, Volumes 25 and 26.
2. Chapter 1, 640, *Laws of Florida, 1868*, 128.
3. *Annual Report of the Comptroller, 1884, Senate Journal, 1884*, Appendix, 9.
4. Chapters, 1,771; 1,772; and 1,826, *Laws of Florida, 1870*, 60, 66, 20 (extra session).
5. Chapter 1,912, *Laws of Florida, 1872*, 70-73.
6. Chapter 3,184, *Laws of Florida, 1879*, 148-150.
7. Chapter 3,512, *Laws of Florida, 1883*, 144-146.
8. Chapter 3,810, *Laws of Florida, 1887*, 258-259.

9. Thomas, "Banking in Florida," 129.

10. Philip D. Ackerman, Jr., "Florida Reconstruction from Walker through Reed" (Unpublished Master's Thesis, University of Florida), 235-237.

11. *Governor's Messages, 1877*, 37; *1879*, 30.

12. "William D. Bloxham," *Makers of America* (Atlanta, 1902) I, 115-116; Rerick, *op. cit.*, 349-353; *Governor's Messages, 1883* and *1885*.

13. A. J. and K. A. Hanna, *Lake Okeechobee* (Indianapolis, 1948), 99-104; Rerick, *op. cit.*, II, 188; *Governor's Messages, 1883, 1885*.

14. R. G. Hill and J. H. Pledger, *The Railroads of Florida* (Tallahassee, 1939), C-80.

15. *Seventh Florida Census*, 9-11.

16. Rerick, *Florida*, II, 314-316; "The Lumber Industry of West Florida," *Makers of America*, I, 84.

17. *Messages and Documents*, 1897, 26.

18. A. Stuart Campbell, *The Cigar Industry of Tampa, Florida* (Gainesville, 1939), 43-45.

19. A. Allen, "The Great Florida Phosphate Boom," *Cosmopolitan Magazine*, April, 1893, 707-709.

20. *Abstract of the Twelfth Census* (Washington, 1904), 225-295.

21. "Live Stock Interests of Florida," *Makers of America*, II, 33-36.

22. Rerick, *op. cit.*, II, 268.

23. Harwood B. Dolbeare, "Fifty Years of State Banking in Florida," *The Southern Banker*, LXXII, No. 5 (May, 1939), 11-12.

24. *Ibid.*, 12.

25. Barnett, "Early Banking Days in Florida," *loc. cit.*, 31.

26. *Ibid.*, 31; Rerick, *Memoirs of Florida*, I, 675; Blackman, *History of Orange County*, 71; *Proceedings of the Fifth Annual Session of the Florida Bankers' Association*, 2 and *Proceedings of the Twenty-sixth Annual Session of the Florida Bankers' Association*, 26.

27. *Proceedings of the Fifth Annual . . . .*, 26. Hereinafter cited as *Proceedings*.

28. Rerick, *Florida*, I, 676, *Senate Journal, 1889*, 997; Dolbeare, "Fifty Years of State Banking," *loc. cit.*, 12.

29. Rerick, I, 511; Dolbeare, *op. cit.*, 12.

30. *Senate Journal, 1889*, 45,294.

31. Chapter 3,864, *Laws of Florida, 1889*, 48-61.

32. *Proceedings of 1893*, 18.

33. Dolbeare, "Fifty Years of State Banking," 12; *Revised Statutes of the State of Florida* (Jacksonville, 1892), 706-718.

34. *Report of the Comptroller of the State of Florida, 1890*, 47.

35. G. E. Lewis to V. H. Northcutt, April 16, 1942; *Sunday News-Democrat* (Tallahassee), September 12, 1948.

36. Dolbeare, "Fifty Years of State Banking," 13; *Report of the Comptroller, 1890*, 47.

37. *Report of the Comptroller, 1890*, 17.
38. *Report of the Comptroller, 1890, 1891*, 42, and *1892*, 59.
39. Davis, *Jacksonville*, 481.
40. *Report of the Comptroller, 1898*, 7, 95.
41. *Report of the Comptroller, 1899*, 7.
42. Harwood B. Dolbeare, "A Record of Fifty Years of State Banking in Florida," *Report of Comptroller, 1940*, 9. Hereinafter cited as "Record."
43. *Report of Comptroller, 1892*, 13.
44. Chapter 4,157, *Laws of Florida, 1893*, 79.
45. *Report of the Comptroller, 1894*, 18-19.
46. *Messages and Documents, 1897*, 10.
47. *Ibid.*, annual *Reports of the Comptroller*.
48. *Biennial Message, 1897*, 8-9.
49. *Report of the Comptroller, 1898*, 6-7.
50. Chapter 4,750, *Laws of Florida, 1899*, 135-136.
51. Chapter 4,013, *Laws of Florida, 1891*, 32.
52. Chapters 4,115 and 4,117, *Laws of Florida, 1893*, 3-43.
53. *Proceedings, 1893*, 12.
54. *Message and Documents, 1897*, 7-8.
55. Dolbeare, "Fifty Years of State Banking," *loc. cit.*, 13.
56. *Ibid.*

Chapter IX

BANKING AND THE BOOM: 1900 - 1925

1. THE NEW FLORIDA: 1900 - 1925

The expansion of Florida after 1900 is recorded in the increase in population from 528,542 in 1900 to 1,263,549 in 1925. In the first quarter of the new century the population of the state was almost trebled. From 1900 to 1910 the increase was over 200,000; from 1910 to 1920 another 200,000; and from 1920 to 1925, the five years of the land boom, the gain was about 300,000. By 1925 the pattern of settlement in the state was virtually finished; while the western and northern counties generally continued to grow in population, the southern and eastern counties attracted residents with such remarkable gains that the geographic center of population moved steadily southeastward in the peninsula.

POPULATION OF LEADING FLORIDA COUNTIES
1910, 1925 [1]

County	*1910*	*1925*
Hillsborough	78,375	133,000
Duval	75,163	123,000
Escambia	38,039	43,000
Alachua	34,305	32,584
Jackson	28,821	33,000
Marion	26,941	27,152
Dade	11,933	110,000
Polk	24,000	63,000
Pinellas	....	51,000
Volusia	16,510	40,000
Orange	19,107	38,000
Palm Beach	5,500	37,000

A further indication of the population growth of the peninsula was the creation of new counties from 1900 to 1925. From 1900 to 1921, nine new counties were created: Bay and Okaloosa in west Florida; St. Lucie, Palm Beach, Pinellas, Seminole, Broward, Flagler, and Okeechobee in south Florida.[2] From 1921 to 1925, thirteen new counties were created, Dixie, Union, and Gilchrist, appeared in the northern end of the peninsula and nine in the southern end: Charlotte, Glades, Hardee, Highlands, Sarasota, Collier, Hendry, Indian River, and Martin. Gulf was the lone county created in west Florida after 1915.

POPULATION OF LEADING FLORIDA CITIES
1910, 1925 [3]

City	*1910*	*1925*
Jacksonville	57,000	95,000
Tampa	37,000	94,000
Pensacola	22,000	25,300
Key West	19,000	13,000
Gainesville	6,000	8,500
Miami	5,000	69,000
St. Augustine	5,000	10,000
Lake City	5,000	4,300
Tallahassee	5,000	6,400
Ocala	4,000	6,700
St. Petersburg	4,000	26,000
Orlando	3,900	22,000
West Palm Beach	1,700	19,000
Lakeland	3,700	17,000

By 1900, Florida had generally recovered from the political effects of the "reconstruction period" and the "restoration of Bourbon democracy" which had followed. William D. Bloxham, the last of the Bourbon Democrats, had won his second term as governor in 1896 by flogging the dead horse of old "reconstruction" issues and evading the live issue of currency and the other real issues of the day. With the dawn of the twentieth century new liberal leaders were active: Frank W. Pope, John N. C. Stockton, Stephen R. Mallory, William S. Jennings, and Napoleon B. Broward. The liberals recognized the part played by the weighty hand of the railroads and land companies in the legislative halls and executive offices at Tallahassee. From 1900 to 1916 the noisiest Florida Democrats belonged to the anti-corporation wing. Business men and farmers understood the unfavorable effect on their pocket books of the economics of high freight rates on the part of the railroads and the monopolistic practices of the big land grant companies.[4]

Most Floridians were midway between pro-corporate and anti-corporate Democrats. All groups had a common interest

and goal in the economic expansion of Florida, the differences existed in the advantages to be extended to the private wealth which might be attracted to the state. Pro-corporation forces argued the inducements necessary to attract northern capital; anti-corporation forces argued that general welfare should keep step with economic progress. These political battles were similar to those which were being fought out on the national, and indeed on the international, scenes throughout the first quarter of the new century.

When the last state Democratic nominating convention met in Jacksonville in 1900, forty-four ballots were taken to select the candidate for governor, William Sherman Jennings. Indicative of the trend to a new leadership, Jennings was thirty-seven years old, a man born three years after the start of the Civil War. Since 1901, no ex-Confederate has been elected to the governorship or to membership in the cabinet. A new set of leaders were slected for the new century.[5]

The Jennings administration, 1901-05, was responsible for inaugurating the novelty of a reduction in taxation while witnessing an increase in revenue as the financial condition of the state improved. There was a notable increase in the receipts from the general license tax, from the tax on insurance companies, in the interest on state deposits in banks, from the sale of fertilizer stamps, and from the corporation charter tax. At the close of Jennings' term there was a cash balance of $500,000 in the state treasury, and the bonded debt had been reduced forty per cent, to $600,000.[6] The assessed valuation of the property in the state rose from $97,550,000 in 1901 to $142,000,000 in 1905 for a gain of better than forty-five per cent in five years.[7]

There were a number of important developments during Jennings' time which abetted the material prosperity of the state. In 1903 the federal land office delivered a patent for 2,800,000 acres of land to the trustees of the Internal Improvement Fund. This large acreage, south and east of Lake Okeechobee, became the basis of the Everglades reclamation project around the big lake and opened a new vista to agricultural enterprise within a few years.

Whereas the years of the Jennings administration began the transition from the old to the new, those of the Napoleon Broward administration (1905-1909) witnessed a rampant change. A sign of the time was the first automobile registration law of 1905: in 1906, there were 300 auto registrations, in 1908, 733. Moving picture theaters were made possible with the installation of town and city power plants, typewriters had supplanted pen and ink in offices, rural free delivery of the mail increased newspaper circulation, and the airplane successfully flown by the Wright brothers helped introduce the new era.[8]

Writing in *Munsey's Magazine*, February, 1909, Herbert N. Casson described "The New Florida: The Marvelous Development of the Land of Ponce de Leon as a Great Winter Playground and as a State of Vast Industrial and Commercial Wealth." He found Florida a land of many colors—a rainbow land of green palms, red poinsettias, blue water, white beaches, and yellow oranges. "It is also true that Florida is one of the busiest, most enterprising, and most prosperous of American States. Its towns and cities have in five years doubled their size. No other state produces so much phosphate, cypress lumber, resin, or turpentine. No other State makes so many Havana cigars or grows so much long staple cotton. And perhaps no other region, in any part of the world, can show so happy a blending of the joy of life with the business energy that creates material progress and modern civilization." Casson concluded that "big things are now being done in Florida."[9]

The decade from 1910 to 1920 was one of continued growth and development: paving of city streets and state roads, completion of the railroad to Key West, state drainage of the Everglades, expansion in agriculture and industry, and the shipbuilding and military camps of the first World War. An unexpected result of the war on Florida came with the influx of winter visitors who were unable to visit European rivieras or who had money earned during the war years to spend. The war had made mass production of the automobile possible, and to these people there was "the long Dixie Highway beckoning toward Florida sunshine which the advertisers said was the answer to chilblains as soon as the first blizzard struck the old homestead."[10]

If the beginning of the Florida land boom of the 1920's could be isolated to a single cause or event, the development of the Miami area would be near the starting point. Before 1910 John S. Collins had acquired large holdings on the island across the Bay from Miami, and by 1914 had completed a bridge across the waters of the bay. In 1914 Carl G. Fisher began an advertising campaign for the sale of real estate at Miami Beach and the boom was on.[11]

On the mainland the development of Coral Gables by George E. Merrick rivalled the work of Fisher across the bay. The first streets of Coral Gables were laid in the spring of 1921, and by the fall of 1923, Merrick had spent $50,000,000 on improvements and buildings as $150,000,000 was received, in the same period, for sale of Coral Gables property throughout the nation. Merrick spent $3,000,000 in advertising, employed 3,000 salesmen, and eighty-six buses to transport prospective buyers from states east of the Mississippi.[12]

Collins, Fisher, and Merrick were but the precursors of many others including Joseph W. Young at Hollywood, Addison Mizner at Boca Raton, and David P. Davis at Tampa. The Davis operation at Tampa was in the realm of the sensational when, on October 4, 1924 three hundred lots were sold for $1,700,000 before dredging operations in Tampa Bay began. Within a year the sale of the Davis Islands properties was closed out at $18,000,000—on the installment plan.[13]

The Florida land boom was an expression of the business expansion and optimism throughout the United States which had been generated by the first World War. The land boom had been accelerated in other sections of the nation with agricultural expansion to produce food for the war effort. The decline in farm prices and the break in the markets in 1920-1921 deflated the land speculation in other areas. Florida, however, was relatively undeveloped, and the winter climate so near to the northern centers of population made the resort areas a land of opportunity when the speculation began. The boom reached the climax in the middle of 1925. Shortages appeared first in housing, and as living space became scarce a boom in building ensued and speculation in houses, hotels and apartments followed. Shortages in food and eating accomodations forced

increases in the cost of living. In the rush to Florida the railroads reaped a boon harvest in freight and passenger traffic, and interstate automobile traffic broke all existing records.

"Money got easier and easier for Florida promoters, partly due to the mob psychology of enthusiasm being built up, partly due to the attractiveness, on paper at least, of plans for new towns and subdivisions, and partly due to the fact that good investments were bringing a very modest return. The Florida projects promised not only quick gain, but large gains; eight per cent on any investment was common, and there was no lack of tempting opportunities to make ten or fifteen per cent or even more."[14]

The real estate boom which had begun on the lower east coast soon spread to the interior and the west coast, and indeed to much of the panhandle from Jacksonville to Pensacola. By and large the Florida boom of the 1920's repeated the familiar pattern of all other booms, but with the more modern variations of free motor transportation and the excessive and extravagant use of all kinds of advertising.[15] If Cosmic City, Inter-Ocean City, or Tropical City were miles from nowhere, there were busses to convey the prospects to the site from New York state or Illinois or from Miami, Tampa or Jacksonville. The Florida boom of the 1920's ran its course and collapsed in the fall of 1925. Although most Floridians thought the boom would pick up again with the winter season of 1926, it was evident by the end of March that hopes for any immediate revival were doomed.[16]

2. NATIONAL BANKING IN FLORIDA: 1900 - 1913

At the close of business in 1899 there were fifteen national banks and twenty-one state banks in Florida. The total resources of the national banks were $8,747,000 and the total resources of the state banks were $3,862,541 thus making total resources of $12,610,000. The average resources per bank stood at $350,000. With a state population of 528,542 the average bank resources per person was but $24, and the number of persons per bank was 14,682.[17] By 1925, the number of banks in Florida had risen to 328 of which number 57 were national banks and 271 were state banks. The net increase of national banks from 1900 to 1926 was 42; the net increase of state banks in the same period was 250.

The enactment of the Florida banking law of 1889 with no restrictions on loans and investments (except loans against or purchase of a bank's own capital stock) and the much lower capitalization requirements for state banks in towns of 3,000 or less precluded the chartering of a single national bank in the state from 1894 to 1900. in 1900 the national banking law was changed to permit the organization of national banks with capital of $25,000 in places of 3,000 population or less.[18] A further change permitted the issue of note circulation to the full value of the bonds deposited whereas the former limit had been ninety per cent. Lastly, the National Bank Act of 1900 reduced the semiannual tax on national bank notes from one-half to one-fourth of one per cent.

The liberalization of the national laws was sufficient to encourage the chartering of forty-five national banks in Florida from 1900 to 1913. Another reason for the choice of a national bank charter over a state bank charter was the prestige derived from membership in the national system. "Investors and depositors alike looked upon the national bank as a more desirable place in which to put their money. In dealings between citizens of different States, the national bank had advantages in competition."[19]

Some of the new national banks were the result of the rechartering of state banks under the national law, but as already noted the state banks increased much more rapidly at the same time. Chartered banks almost supplanted private banks by 1913 and had completely replaced them by 1922.

By years, the organization of national banks was continuous with at least one national bank charter being granted annually during the period except in 1909. Six national banks were organized in 1900, 1901, and 1902. With the improvement of business conditions, sixteen national banks were organized in 1903, 1904, and 1905. From 1906 to 1910, seven national banks were organized; in 1910, 5; 1911, 3; 1912, 3; and 1913, 5.[20] Reference to Table VI will show that there were sixteen national banks in 1900 with resources of $9,643,000 and fifty-three in 1913 with resources of almost $60,000,000.

TABLE VI

PRINCIPAL ITEMS OF RESOURCES AND LIABILITIES OF NATIONAL BANKS IN FLORIDA: 1900 - 1925

(In thousands of dollars)

Year	*No. of Banks*	*Loans*	*Deposits*	*Resources*
1900	16	$ 4,463	$ 6,435	$ 9,463
1901	17	5,654	7,928	11,852
1902	20	6,120	7,743	12,303
1903	21	7,420	9,402	15,164
1904	26	9,943	11,713	19,058
1905	34	13,064	14,085	22,837
1906	36	18,212	19,201	31,236
1907	36	19,878	19,365	33,244
1908	39	18,421	17,063	32,272
1909	39	21,020	20,648	36,884
1910	43	27,240	25,837	44,561
1911	45	29,266	29,380	49,137
1912	48	33,779	31,670	56,323
1913	53	35,557	34,391	59,910
1914	53	36,062	34,657	60,471
1915	55	36,738	37,584	63,123
1916	55	39,747	46,505	73,033
1917	55	43,270	54,347	81,785
1918	55	45,056	59,535	89,573
1919	54	48,967	73,824	108,748
1920	54	66,749	88,380	124,801
1921	57	63,341	89,835	116,515
1922	62	69,276	111,234	134,770
1923	54	87,440	115,800	156,391
1924	54	89,274	151,855	176,137
1925	59	200,366	337,255	404,172

Source: *Annual Reports, Comptroller of the Currency.*

Among the outstanding active national banks that were organized and chartered in these years were: 1900, American National Bank of Pensacola; 1901, First National Bank of Live Oak; 1902, First National Bank of Miami; 1903, Atlantic National Bank of Jacksonville; 1904, First National Bank of DeFuniak Springs and First National Bank of Lake City; 1906, Florida National Bank of Jacksonville; 1907, DeSoto National Bank of Arcadia; 1908, First National Bank of Alachua, and Citizens and Peoples National Bank of Pensacola; 1911, Florida National Bank at Ocala; and 1912, First National Bank of Bradenton.

3. THE ADVENT OF THE FEDERAL RESERVE SYSTEM

Experience under the national banking system after the Civil War showed that several changes were in order to adapt national finances to abrupt changes in the business cycle. As a result of the panic of 1907, the national bank laws were revised with the establishment of the Federal Reserve System in 1913. The 1913 laws were written with the hope that the major defects of the carrying of reserves in central cities and the lack of rediscount markets would be corrected. Historically, the placing of reserves in cities and the lack of rediscount markets had accentuated a money famine in times of emergency.

While a discussion of the Federal Reserve Act is outside the purview of a history of state banking, the main provisions of the 1913 law are stated for their bearing on the finances of Florida. The Comptroller of the Currency, in 1914, held that the act would: provide an elastic currency, mobilize reserves on a national basis, create a rediscount system to ease local or sectional money shortages, establish a system of check collection at par, and reduce reserve requirements.[21]

The 1913 law created a system of central reserve banks to be located in not more than twelve districts across the nation. These Federal Reserve Banks were under the supervision and coordination of a board of governors. Provision was made for the establishment of branches of Federal reserve banks to serve outlying sections of a district. All national banks were made members of the Federal Reserve System with optional membership for state banks. Under the 1913 law, amended in 1917, three classes of banks were set up: central reserve city, reserve city, and non-reserve city banks. All bank reserves of member banks were to be carried with the federal bank of the district: three per cent against time deposits and thirteen per cent against demand deposits for central reserve city banks, ten per cent against demand deposits for reserve city banks, and seven per cent for the non-reserve city or country banks.[22] The Federal Reserve Act also authorized member banks to engage in trust banking, to make real estate loans, and to accept time deposits.

"Contrary to popular belief, the Federal Reserve System, strictly speaking, is not a Government agency. The capital stock

of the Federal Reserve Banks is all owned by private commercial banks that constitute the System's membership. The Board of Directors of each Federal Reserve Bank consists of nine men, of whom only three are appointed by the Board of Governors in Washington. These three represent the interest of the general public in the control of the bank's affairs. The other six, three representing banks and three representing the business interests of the District, are elected by the member banks. The Board of Directors of each Branch consists of seven men, three appointed by the Board of Governors and the remaining four by the Board of Directors of the parent bank. . . .

"Although the Federal Reserve System is concerned chiefly with regulating the supply and cost of money and bank credit, the purpose behind its activities in this field is the creation of a financial climate favorable to the development of a prosperous agriculture, industry, and commerce."[23]

4. FEDERAL RESERVE BANK OF ATLANTA, JACKSONVILLE BRANCH

The passage of the Federal Reserve Act of 1913, and amendments of 1917, had little immediate effect in Florida. The state banks generally opposed the clearing and collection features of the system which required the remittance without deduction (at par) for checks cleared and collected through the federal reserve banks. This opposition, and its resolution, will be discussed further in relation to state banks.

The Jacksonville Branch of the Federal Reserve Bank of Atlanta was established on August 5, 1918, with a staff of thirteen which by 1922 had grown to twenty-two. The first managing director was George R. De Saussure who served until 1928. De Saussure had been vice-president of the Barnett National Bank and also secretary-treasurer of the Florida Bankers' Association for almost twenty years.

A chief function of the Branch was to supply coin and currency to Florida banks. By 1929, the Branch was handling 22.5 million pieces of currency and 9.9 million pieces of coin.[24] The clearance of checks drawn on member- and par-clearing banks amounted to nearly seven million checks by 1926. In holding the reserve balances of Florida member banks the Branch has served as a bank for bankers.

As a fiscal agent for the United States Government, the Branch has issued and serviced the various obligations of the United States, maintained tax and loan accounts, and rendered other service functions. From time to time the Branch has held bonds in safekeeping for individuals, served as custodian for securities for member banks, and held securities deposited for municipal and governmental purposes.

In 1918, at the date of the establishment of the Jacksonville Branch there were fifty-five national banks and 197 state banks in Florida. The vast majority of the state banks refrained from joining the Federal Reserve System, however, over a hundred banks (national and state) were clearing and collecting checks at par. By 1925 the total number of banks had risen to 328, but only about half of the total were clearing checks at par and the number of Federal Reserve member banks remained virtually the same as in 1918.

National banking, in the twelve years from 1914 through 1925, was a reflection of the dizzy heights reached by the boom in real estate. From fifty-three banks with deposits of $34,000,-000 and resources of $60,000,000 in 1914, the national bank structure rose to fifty-nine banks with deposits of $337,000,000 and resources of $404,000,000 in 1925.

The chartering and organization of national banks continued at the rate of over two per year to a total of sixty-two in 1922. There were, however, a number of changes from year to year. In 1903, the First National Bank of Jacksonville and in 1907, the Fort Dallas National Bank of Miami were placed in the hands of receivers. From 1914 through 1925, five other national banks failed. In the first quarter of the century, two national banks went into voluntary liquidation, four national banks were consolidated with other national banks, and fifteen national banks were rechartered under state law or absorbed by state banks.[25]

5. STATE BANKING: 1900 - 1925

State banking, in the quarter century from 1900 to 1925, closely paralleled the growth of population and wealth in Florida. From 1889 to 1900 only thirty state banks were chartered, but from 1900 through 1925 there were 306 state banks chartered. In 1900 the State Comptroller reported twenty-three state

banks in operation and in 1925 that officer reported 271 state banks in operation. Thus, the net gain in state banks for the period was 241.[26]

There were no state bank charters issued in 1900, two were issued in 1901, and only one in 1902. But beginning in 1903 at least four charters were issued annually through 1925. There were, in this period, three groups of years in which the organization of state banks were unusually large and definitely reflected the improved business conditions. In the four years, 1904-1908, eighty-one state banks were chartered with fifty-five of these occurring in 1906-1907. In the three years, 1911-1913, seventy-nine state banks were chartered, with thirty-four charters being issued in 1912 alone.[27] State bank expansion in the years of the real estate boom not only reflected, but promoted that episode: in 1920 sixteen charters were issued; 1921, 8; 1922, 9; 1923, 10; 1924, 14, and 1925, 14, for a six-year total of seventy-one new state banks.

A legislative change in the capital stock requirements to authorize the chartering of state banks with a capital of $25,000 in cities or towns of not more than 6,000 population was made in the general banking law in 1901.[28] This change followed the modification of the national law which allowed chartering of national banks with capital of $25,000 in places of 3,000 or less. The state bank laws, with lower capital requirements and less restrictive regulations on loans and investments, promoted the organization of state banks in the towns where national banks would have been more difficult to organize.

The growth in resources of state banks from $4,773,000 in 1900 to $539,100,000 in 1925 was an excellent yardstick of the development of Florida. However, the increase of state bank resources from $127 million in 1922 to $539 million in 1925 represents the boom years when real estate speculation reached a peak. From 1900 to 1924 there was a steady annual growth of resources except for a drop in 1921 from which there was a rapid recovery.

Mention should also be made of the growth in the size of the individual bank. In 1890 the average bank held $69,000 in deposits, by 1905 the average bank held $246,000 in deposits.[29] The organization of many small banks after 1905 brought a reduction in average deposits to $130,000 in 1908, and the 1905

figure was not reached again until 1917. The outstanding period from 1900 to 1925 was that from 1921 to 1925, "when loans and securities each increased four and one-half times, total resources five times, deposits six times and cash assets seven and one-half times. In 1925 alone, each of these items increased approximately two and one-half times. Deposits and resources both exceeded half a billion dollars. The number of banks did not increase proportionately with the result that the average bank held over one and three-quarters million dollars of deposits and almost two million dollars of assets in December of 1925."[30]

TABLE VII

PRINCIPAL ITEMS OF RESOURCES AND LIABILITIES OF STATE BANKS: 1900 - 1925

(In thousands of dollars)

Year	*No. of Banks*	*Loans*	*Deposits*	*Resources*
1900	23	$ 2,841	$ 3,641	$ 4,773
1901	25	3,683	4,782	6,149
1902	26	4,551	6,049	7,602
1903	31	5,500	7,164	9,169
1904	39	6,825	8,295	10,737
1905	44	9,864	10,813	15,060
1906	66	10,539	12,134	15,918
1907	97	12,784	12,724	18,624
1908	110	13,014	14,379	19,684
1909	115	15,287	18,151	24,112
1910	125	19,079	22,394	29,426
1911	141	22,642	26,165	34,191
1912	174	25,918	26,724	37,101
1913	204	28,242	31,803	43,789
1914	212	29,000	29,160	43,421
1915	201	27,488	31,993	44,408
1916	206	33,892	46,933	58,747
1917	199	37,638	52,567	64,758
1918	197	40,011	58,939	71,601
1919	204	57,434	86,033	100,258
1920	216	72,106	96,663	115,887
1921	217	66,605	84,314	105,775
1922	222	76,346	106,924	127,381
1923	234	95,778	131,144	155,009
1924	251	128,893	197,809	224,153
1925	271	309,491	501,553	539,100

Source: Harwood B. Dolbeare, "Chart Record of Fifty Years of State Banking in Florida," *Report of State Comptroller*, 1940.

An important addition was made to the general banking law in 1911 when the legislature passed an act providing for the incorporation, powers, duties, and liabilities of trust and security companies.[31] In his annual report for 1910 Comptroller A. C. Croom had pointed out that there was no law in Florida "providing for the organization of trust companies independent of the banking laws, and if organized under the banking laws, they would be limited to the transaction of such business only as banks in this State are authorized to conduct."[32] The Comptroller noted that he had restricted banking companies to the powers granted by the banking laws and that if banking companies were to be authorized to engage in trust business, the legislature should make suitable provisions.

The 1913 law provided for the creation of trust companies with capital stock of not less than $50,000 with a deposit of not less than $25,000 with the State Treasurer as evidence of good faith. Trust companies were to be organized under the general banking laws and were under the same privileges and restrictions as state banks. In subsequent reports of the Comptroller, trust companies organized under this act were generally reported individually as trust companies but collectively with state banks as "state banks and trust companies." The formation of trust companies was rapid; fourteen were organized by 1916, twenty by 1920, and forty eight by 1925. Included among the trust companies were many state banks which were rechartered as "banks and trust companies."

The 1889 bank law allowed the practice of branch banking and the remarks of Comptroller Croom in 1910 that several branch banks were opened without any effort to amend the charters of the parent banks "was clearly in conflict with the spirit and interest of the banking law, which fixes the minimum capital of any bank to be operated under the State law at $15,000 and the matter was taken up with the different banks with the view of having the law complied with. At present every branch has at least the minimum capital required by law based on population, and charters have been amended so as to conform to the law and set apart the necessary capital. There are now three branches, with a capital of $5,000 each, and two with a capital of $50,000 each.

"Two branches have been organized into separate banking companies. The provision of the law under which these branch banks were established, when construed in connection with the other provisions of the banking law, is so restricted as to leave the matter of the establishment of such branches within the discretion of this office, and no additional branch banks will be consented to, as this method of creating and conducting a banking business is not satisfactory. In view of the misleading nature of the provision as to branch banks, it should be repealed."[33]

By virtue of an amendment, of the general banking law, in 1913 banking companies were restricted to the places of business specified in the bank charters, a revision which prohibited further branch banking. "Only fifteen branches had ever been established, and of these only eight were in operation in 1913. Three of the eight became separate banks in this year and the remainder incorporated as independent banks in following years."[34]

Private banks, as previously noted, remained in business through most of these years. By legislative act of 1907 all banks, except national banks, were required to make reports to the Comptroller on call and to publish full statements of assets and liabilities every January and July.[35] This act brought private banks under state supervision for the first time. Five private banks reported to the comptroller in 1908, seven in 1909, and eight in 1910. The total resources of these banks were: 1908, $427,000; 1909, $463,000; and 1910, $539,000.[36]

In 1910, Comptroller Croom expressed dissatisfaction over the status of private banking in Florida, which operated without the bounds of fixed capital and other regulations. Croom wrote that "the fact that private banks have been placed under the same supervision as incorporated State banks is calculated to mislead the people into the belief that the supervision of private banks is as effective as that of State banks, but for want of legislation such is not the case and it should be remedied."[37]

Five years later, in 1915, private banking was brought under the general banking law with the requirements that banking companies must be incorporated under the existing laws and that those then in operation would thereafter satisfy the Comptroller with the establishment of a fixed capital of at least $15,000.[38] From 1907 to 1915, twenty-four private banks had

been organized. After the passage of the above law nine of the private banks reorganized under state charters. The last two private banks disappeared in 1921, one into receivership and the other under reorganization as a state bank.[39]

The basic and underlying principles of the general banking law of 1889 were carried down through the session laws and revisions of the state statutes from 1900 to 1925. Numerous changes and amendments were made during the several sessions of the legislature. Many of the additions and supplements dealt with the supervision and examination of banks by the Comptroller and the consequent growth of the banking department under the supervision of that officer.

The law of 1889 required the submission of annual reports to the Comptroller and the publication of such reports by each bank. Bank examination, however, did not become standardized until the administration of Comptroller Croom, 1901-1912. In his report for 1906, Croom stated that "the regular and rigid examinations that have been made of all State banks, and the information and advice given by the examiner and from this office, have resulted in great good, and in some instances banks have thereby been actually saved from failure and placed on a sound footing. There can be no question as to the wisdom or necessity for the examination of State banks, when considered in the light of experience, and they are desired by all bank officials whose purpose is to conduct the banking business in accordance with sound banking principles, as such examinations are a source of satisfaction to them, as well as the surest method of securing and maintaining public confidence, upon which the banks are absolutely dependent for business."[40]

Crooms then recommended legislative provision for more adequate examinations and suitable compensation for examiners, as well as a graduated fee to be paid by each bank examined. He also recommended legislation requiring the receivers of banks appointed by the courts to submit reports to the Comptroller's office "in order that the interests of the stockholders may have the same supervision in their interest as was exercised before the failure, and the appointment of a receiver . . ."

The legislature of 1907 embodied all of these recommendations into law. The Comptroller was authorized to employ a full-time examiner at an annual salary of $2,000. The examiner was

charged with examining the state banks at least once a year, and state savings banks twice a year.[41] Fees for examinations were placed on the basis of the capital stock of each bank: $25,000 or less, $10; $25-50,000, $20; $50-100,000, $25; $100-500,000, $50; $500,000 or more, $75. The Comptroller was given the authority to close banks guilty of losses or irregularities and to have monthly reports from the receivers of closed banks. Under this act all banks were required to publish statements of assets and liabilities semi-annually.

The rapid growth of state banks from 66 in 1906 to 115 in 1909 resulted in legislative authority for the Comptroller to employ a second bank examiner.[42] In his report for 1910, Croom noted the examiner made seventy-five examinations and under the act of 1909 made 175 examinations. "Reports are called for from the different banks from time to time during the year, and these reports, as well as the reports made by the Bank Examiners, are carefully examined and the attention of the bank officials is called to any deviation from the law or legitimate rules concerning the banking business."[43]

With the number of state banks and trust companies increasing to 141 in 1911 the legislature of that year again authorized the employment of an additional examiner.[44] In 1912 the number of examinations increased to 332 and the operations of this section of the Comptroller's office were such that William V. Knott, who had succeeded Croom, created a Banking Department. At that time the new department's personnel consisted of the three examiners under the direction of the Chief Clerk of the Comptroller's office.[45] Comptroller Knott inaugurated the publication of the annual report of the Banking Department as distinct from the annual report of the other activities of the administrative department.

With the continued growth of banks and trust companies a fourth examiner was added to the Banking Department in 1913. By 1922, the department employed a chief clerk, banking clerk and four examiners; a chief clerk and five examiners in 1924; a clerk and eight examiners in 1925-1926.[46]

The increase in state banks and trust companies to 271 in 1925 greatly taxed the efforts of the Banking Department. Comptroller Ernest Amos, who had succeeded Knott in 1917, recommended the creation of a separate state department of bank-

ing. Amos wrote that "at each meeting of the Florida Bankers' Association for the past ten years, I have stressed the point that if and when the Bankers felt they wanted another or separate Department to supervise the State Banks, they would find no objection from me, but on the contrary I would render every assistance possible towards bringing it about . . . the business of the State has grown to such an extent that the Banking and Building and Loan Department needs more time than I can personally give to it and keep up with the many other numerous duties I am required to perform. Therefore, it seems to me desirable that a separate department be created at the coming session of the legislature to take over this feature of the work."[47]

In order to meet the changing conditions and rapid growth of banks and trust companies and to strengthen the hand of the Comptroller in the supervision of these financial institutions the several legislatures passed a number of acts. In 1912 Comptroller Knott pointed out that certificates of deposits were being issued without cash being first paid into banks and trust companies and that the practice of allowing overdrafts as a means of borrowing money were both in violation of existing laws.[48] To correct these abuses and to tighten the banking laws amendments were added relating to overdrafts, check certification, limitations of loans to one person, classes of investments, past due paper, collections of assessments against stockholders, and receiverships.[49] By the act of 1913, and succeeding acts, the legislature prohibited the opening of a bank or trust company until authorized by the Comptroller upon satisfaction that the new bank or trust company had fully complied with the banking or banking and trust laws of the state.

6. 1925: THE FRANTIC YEAR

"The Florida boom, although primarily an inflation of land values, was not confined to real estate. To be sure, the spectacular rise in real estate prices was its outstanding characteristic, but many other fields of activity were affected. It brought on a period of general expansion and prosperity that was shared by many industries, and its collapse caused a period of general contraction and depression, which was equally widespread in its effects. The boom in real estate had its counterpart in banking, transportation, construction, and many other activities."[50]

The boom in banking, which accompanied the land boom, was reflected in the rise of bank deposits of state and national banks from $180 million in 1922 to a peak of $875 million in 1925. In 1924-1925 bank deposits in Florida rose, on an average, $32 million a month. Comptroller Amos reported 1925 as a year of marked inflation: "Instead of the seasonal decline in deposits during the summer they continued to soar, throughout the whole year so that practically every bank in the State had more money than it knew what to do with, literally speaking. The natural thing for bankers to do under such circumstances was to put this money to work, or a portion of it at least, by lending it out in order to earn as much as possible so as to pay expenses and dividends. A large portion of the swollen deposits consisted of out of State money which flowed in freely throughout the whole year 1925, practically covering the entire State."[51]

With this unusual situation and realizing the necessity for banks to maintain a strong cash position, Comptroller Amos wrote each state banker in December that "assets should be kept as liquid as possible and remain so until the permanency of present conditions has been established. Until then the legal cash reserve of 20 per cent should be fortified by a further or secondary convertible reserve of not less than 30 per cent, making a 50 per cent reserve all told, at least. Where public funds are on deposit a reserve of 100 per cent, immediately available, as to such funds should be maintained. A readjustment will come sooner or later, as sure as day follows the night, and until it does come and we find 'where we are at' you should be ready always by making the banks safer for depositors."[52]

The combined resources of state and national banks rose over one-third in 1924, and more than doubled in 1925 to a record high of $900 million. The 1925 figure for combined resources was four times that of 1920 and seventy-one times the figure of 1900. At the close of business in 1925 the average resources for each Florida bank stood at $2,750,000 with the average resources per person in the state at $709. The average number of persons per bank, at the lowest figure in the state's history, was 3,847.[53] In the years 1921-1926 the national banks of Florida showed ratios of earnings (net additions to profits, to capital and surplus) as follows: 1921, 13.93; 1922, 8.60; 1924, 13.36; 1925, 20.36; and 1926, 25.22.[54]

The record of Florida banks from 1920 to 1925 was quite favorable with no national bank failures; state bank failures were more numerous: 1920, 2; 1921, 5; 1922, 5; 1923, 4; 1924, 2. In 1925 there were no state bank failures, however, the First National Bank of Quincy closed in February of that year.

A combination of causes brought the boom to an end, according to Kenneth Ballinger, a Miami newspaperman of the period, who wrote that "the speculative boom began to wither in September, 1925, after the binder boys and the big-talking promoters had staged a series of mammoth sales that gorged the buying public like a 10-year-old boy at a family reunion. Following that brief stuffing process, nation-wide hostility, and the cramping effects of the freight embargoes, prompted the withdrawal of much money in the fall and winter of 1926. Although most Floridians thought the boom would pick up again after the Christmas holidays."[55]

Investigation of the shady real estate promotion, added to a break in the New York stock market, gave bad publicity to Florida and caused the withdrawal of money from the potential buyers who might have delayed the collapse. A final disaster arrived in the West Indian hurricane of September, 1926, which inflicted millions of dollars in damage to the boom-built gold coast from Palm Beach to Miami. A second hurricane of 1928 again disrupted the lower east coast towns and cities. The stock market crash of 1929 and the bank failures of the late twenties and the early thirties completed the debacle.

NOTES — CHAPTER IX

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Chapter X

DEFLATION AND DEPRESSION: 1926 - 1933

1. DEFLATION: 1926 - 1929

An observer of the Florida scene during the aftermath of the dizzy speculation wrote that the events that hurt the state "were led by the vanishing of paper fortunes and the keen disappointment of those who saw what they thought were 18 karat profits turn to cigar store coupons before their very eyes; next came the 1926 and 1928 hurricanes, which ruined many firms who already were trembling on the edge of insolvency; finally there came the national depression and the Florida bank failures of 1929 and 1930. . . . When men pray: 'Deliver us from another boom!' they mean from the effects thereof."[1] The crash of the boom and the subsequent deflation and depression did not destroy the two great assets of the state: the mild winter climate and the relative proximity to the densely populated sections of the nation. And thus an economist could promise, in 1927, that "over a period of years, the recovery from the present depression will be both certain and substantial."[2]

However, before recovery Florida passed through almost a decade of economic stringencies; four years of deflation from 1926 to 1929 and four years of depression from 1930 to 1934. Three measurements of economic activity may be utilized to depict the deflation which immediately followed the collapse of the land boom: assessed value of real estate, operating revenue of railroads, and net income of individuals and corporations. The assessed value of real estate fell from $623 million in 1926 to $441 million in 1930; the operating revenue of railroads fell from $91 million in 1926 to $46 million in 1930; and the net income of individuals and corporations fell from $815 million in 1925 to $84 mllion in 1930.[3]

Financial stringency in governmental activities in Florida in the face of declining values came rapidly in the problem of public debt liability. The debt liability of cities, counties, and districts had skyrocketed from $110 million in 1922 to more than $600 mllion in 1929, a figure that gave Florida the dubious distinction of the highest per capita public debt in the United States. "The first default on a bond payment in Florida since the first world war occurred in 1926. This isolated event was soon fol-

lowed by an avalanche of credit collapses. By 1929 bond issues throughout the state were in default."[4]

In these early post-boom years most of the United States was enjoying the "Republican prosperity" of the frantic 1920's. But Governor Doyle Carlton of Florida (1929-1933) realized the plight of the state and told the 1929 legislature that "Our expenditures have exceeded receipts to an alarming degree, approximately two and one-half million dollars for the year 1928. While the state is free from bonds, we are foolish to ignore the fact that counties and municipalities are loaded to the uttermost, while taxes have reached the danger point. There is a deadline in the cost of government which, when reached by the taxing powers, marks the decline of a State's prosperity. In spite of high taxes, so high that many have ceased to pay, bond defaults are imminent in towns, districts, and counties throughout the State. 'Unwise,' someone says to release this information. But it is folly to dodge facts which will ultimately force their attention."[5]

Disaster from an unsuspected quarter struck the economy of the state in April, 1929, when the Mediterrean fruit fly was found to be present in a citrus grove near Orlando. Other infestations were soon found over the state and by the end of the year embargoes were placed on the shipment of agricultural and horticultural products. In consequence of plant and crop destruction and embargo, the agricultural and horticultural interests of the state were demoralized. Production of citrus fruit alone fell from 28 million boxes in 1928-29 to 17 million boxes in 1929-30 as a result of the embargoes and clean-up campaigns of the fruit fly eradication warfare.[6]

Financial stringency in the field of private finance was revealed in banking statistics for these years. From a total of 336 banks (62 national, 274 state) with resources of $943 million in December, 1925, the deflation was rapid, resources dropping over $300 million in 1926. "Over forty banks closed, but more than half of them reopened within a few months, and enough new banks were chartered to show a net increase of two state and four national banks during 1926. The following two years witnessed a further sharp decline of resources and especially of the number of banks, reaching a climax in 1929 when over fifty state and national banks were placed in receivership. The 1929 crash took place in the first nine months of the year; some hope was then held out that the bottom had been reached and the

sun would once more shine on the banking situation."[7] At the end of 1929 there were 57 national and 178 state banks and trust companies with total resources of $375 million.

The decline of values, growing tax delinquency, and economic deflation which had gradually spread over Florida after 1925 became nationwide in the fall of 1929 after the stock-market crash in October. The ensuing business depression which settled over the United States killed the hopes of any early recovery in Florida. From 1929 to 1934 there was a further decline in banking activity to the low point in 1933. In that year there were 45 national and 98 state banks remaining and resources of $212 million. In 1933 the number of banks were fifty-four per cent smaller and the amount of resources seventy-six per cent smaller than in 1929. The number of banks fell below the number in 1910 and the resources were about the same as in 1920. "Depositors of the twenty-seven national banks that failed in Florida from 1925 to 1934, inclusive, had total deposits of over $31,000,000; while depositors in the one hundred seventy-one state banks that failed permanently throughout the same period of time had total deposits of over $100,000,000."[8] It should be borne in mind that bank failures in these years were not peculiar to Florida since similar records were made in virtually every other state in the same period.

2. NATIONAL BANKING: 1926 - 1933

Significant changes in the federal banking law were made in 1917 and again in 1927. By the 1917 law all reserves of national banks were ordered to be carried in the Federal Reserve Bank of the district and reserves for demand deposits were placed at ten and seven per cent for reserve and non-reserve cities respectively. All member banks of the Federal Reserve System were required to carry reserves of three per cent against time deposits.[9]

Changes in the 1927 law effecting national banks in Florida, permitted real estate loans up to twenty-five per cent of capital stock paid in plus twenty-five per cent of unimpaired surplus or up to one-half of savings deposits. Provision was made for the direct merger of national banks with state banks without the state bank securing a national charter, and national banks in the suburbs of cities over 50,000 were allowed to organize with a capital of $100,000 rather than $200,000.[10] National banks were

also authorized to establish bond departments as well as to issue stock of par value of less than a hundred dollars.

At the end of 1925 there were 59 national banks in Florida with deposits of $337 million; within a year the number of banks had grown to 62, but deposits had fallen to less than $270 million. In 1927 the number of national banks was increased by one, to 62, but again deposits in these banks had fallen to $232 million. Beginning in 1928, the number of banks declined to 60 and continued to drop yearly to the low point of 45 in 1933. Deposits, likewise, decreased from $218 million in 1928 to a low of $99 million in 1933.

The number of national banks chartered from 1926 to 1933, inclusive, totalled 28, but this figure did not offset the 27 national banks that were placed in receivership, four that went into voluntary liquidation, and the other changes from national to state charter or banks that were absorbed by other national banks.[11] Eight national banks were chartered in 1926, four in 1927, one in 1928, and nine in 1929; three were chartered in 1930 and one each year in 1931, 1932, and 1933.

The number of failures of national banks was one in 1926 and two each year in 1927 and 1928. The deflation following the land boom "did not seriously affect Florida's national banks until 1929. During the years 1929 to 1931, inclusive, 17 national banks with deposits of $20,008,108, were placed in receivership for complete liquidation."[12] Three national banks failed in 1932 and two in 1933.

TABLE VIII

PRINCIPAL ITEMS OF RESOURCES AND LIABILITIES OF NATIONAL BANKS IN FLORIDA: 1926 - 1934

(in thousands of dollars)

Year	*No. of Banks*	*Loans*	*Deposits*	*Resources*
1926	62	$149,996	$267,881	$315,338
1927	63	125,670	232,351	275,738
1928	60	115,391	218,494	259,439
1929	58	100,561	205,509	242,504
1930	52	54,549	184,672	215,900
1931	51	44,902	137,240	171,203
1932	49	37,166	119,960	163,583
1933	45	32,413	99,369	160,628
1934	50	34,379	135,859	186,028

3. STATE BANKING: 1926 - 1933

The high tide of state bank organization was reached in March, 1926, when Comptroller Amos reported the number at 282. From September, 1925, through March, 1926, the Comptroller reported on state banks as follows: decrease in deposits, $52 million or ten per cent; decrease in loans, $11 million or three and a half per cent; and decrease in cash reserve, $46 million or thirty per cent.[13] From 271 state banks and trust companies with resources of $539 million in 1925 the number of institutions dropped to 105 with resources of $51 million in 1933. "The decline of deposits and resources was almost as rapid as the preceding rise, the fall to the 1921 level taking about four and one-half years. The decrease in the number of banks, however, was relatively greater and carried this figure to the smallest since 1912. Unfortunately, due to the country-wide depression which began in 1929, the contraction continued until the end of 1933, and the figures for the number and resources of the state banks fell to a little less than half those for 1921. At this low point there were fewer state banks than in 1908 and their resources were about the same as were reported in the middle of 1916."[14]

TABLE IX

CHANGES IN NUMBER OF STATE BANKS AND TRUST COMPANIES: 1925 - 1934

(Fiscal Year)

	1925-26	1927	1928	1929	1930	1931	1932	1933	1934
Total (Beginning of Year)	251	274	265	239	201	152	142	135	115
New Banks and Trust Companies Opened	46	19	1	4	6	7	2	1	2
Banks and Trust Companies Closed	9	52	29	35	61	20	11	22	15
Banks and Trust Companies Reopened	0	30	7	1	12	6	4	2	6
Consolidations and Mergers	12	6	5	8	6	3	2	1	3
TOTAL (End of Year)	274	265	239	201	152	142	135	115	105

Source: *Annual Reports of Comptroller.*

The condition of the state banks of Florida at the close of 1925, the peak of the boom inflation, was excellent with an average cash reserve of 31.46 per cent, nearly twelve per cent above the legal requirement. In 1926 the tide turned and the cash reserve dropped rapidly as money was withdrawn from banks generally. Comptroller Amos reported that "banks in certain quarters soon began to feel the pinch, especially those of the Witham System . . . a number of State Banks having contracts with the Bankers Trust Company of Atlanta and the Bankers Financing Company in Jacksonville to act as their financial agents. Though called a 'chain' each bank was independent of any other and usually managed by a local board of directors."[15]

The "Witham System" had been in operation for twenty years when heavy withdrawals forced Florida member banks to request "call money" to meet the demands. "Heavy withdrawals continued faster than banks could liquidate and money, the thing needed, or not enough of it could be obtained to bridge many of them over. Closings began June 2nd (1926) and continued until a little better than one-half of the system banks fell . . . From January 1, 1925, to March 1, 1927—forty-seven banks closed, thirty-five of which belonged to the system. After much hard work . . . twenty were able to re-open and resume business."[16]

TABLE X

PRINCIPAL ITEMS OF RESOURCES AND LIABILITIES OF STATE BANKS: 1926 - 1933

(in thousands of dollars)

Year	*No. Banks*	*Loans*	*Deposits*	*Resources*
1926	274	$188,663	$269,106	$325,740
1927	255	131,277	203,743	251,840
1928	221	105,435	164,465	206,529
1929	178	60,357	100,718	133,582
1930	148	34,401	63,876	84,849
1931	137	24,193	53,962	70,561
1932	128	18,940	45,123	60,491
1933	105	13,754	38,578	51,168

Source: Chart Record of Fifty Years of State Banking in Florida, *Annual Report, State Comptroller, 1940.*

The most obvious effect of the real estate boom on state banks was the reduction of these institutions from a high of 274

in 1926 to 178 in 1929. Other factors contributed to the failures, but the collapse of the boom directly caused many to close in 1926 and 1927, and so weakened many others that later misfortunes closed these. "Many causes contributed to the banking trouble prevailing during the five years, 1926 - 1930," reported Comptroller Amos: the real estate boom, the business depression, easy credit, poor collection laws, the Mediterrean fruit fly, and too many banks. "The 'boom' was the chief offender for undoubtedly the seed of our trouble was sown back there, bringing forth fruit many fold!"[17]

The effects of the real estate boom on Florida banking have been the subject of several studies. In 1931 two students of the subject made a comparative study of the statements of selected successful and failed state banks and found noticeable differences between the two groups. The banks which failed had a greater percentage of their resources invested in loans, especially on real estate, and discounts than did the successful banks.[18] Likewise, real estate was a greater percentage of the resources of the failed banks who had "borrowed much more extensively from other banks, as shown by bills payable and rediscounts."[19]

A second study, was made of banks in five Florida counties as compared with banks in the rest of the state. On the collapse of the boom, "deposits were withdrawn in large amounts, causing a depletion of cash reserves. The withdrawals continued, and the banks were hard pressed for money. At the same time the amount of real estate continued to increase, which lessened the liquidity of the banks' assets. Banks in the rest of the state could not liquidate their loans fast enough to take care of the demands of depositors. Consequently they had to resort to bills payable and rediscounts, which caused a sharp increase in this item. Many of the banks were still unable to meet the demands for cash, and had to close their doors. Thus, began the succession of bank failures which afflicted the state. . . . The banks of the selected counties were more successful in liquidating their loans immediately after the crash, and as a result did not have to rely so much on bills payable."[20]

With the number of bank failures increasing yearly after 1925, much of the state legislation affecting banks was concerned with problems of liquidation and internal control of the remaining institutions. Comptroller Amos, in March, 1927, reiterated his

stand that "the banking laws need strengthening in many respects according to my notion. At each of the last five sessions of the Legislature I worked to that end, all the way from limitation on loans to guaranteeing deposits, but to no avail. Each director may now borrow up to forty per cent of the capital and surplus of his bank without violating any law, and there is absolutely no limit provided by law as to how much may be loaned to a customer with or without security." [21]

Several modifications of the general banking law were made by the 1927 legislature, which declared that an emergency then existed. Banks were permitted under certain conditions to limit withdrawals to twenty-five per cent, but deposits received after such order were not affected by the freeze order.[22] Other changes pertained to the disposition of unclaimed funds in banks in liquidation and authorization to the comptroller to appoint receivers for banks where capital stock was impaired and not made good.[23]

The large number of state bank failures in 1926 and 1927 were sufficient motivation for Comptroller Amos to specifically recommend provision "by law for the liquidation of State bank and trust companies to be made by *a liquidating agent* appointed by the bank supervising authority at a stated income payable by the State, the State to be reimbursed by certain deductions from the assets in the liquidation. This would be more economical, would eliminate local factional differences, would give an experienced, trained liquidating agent in all cases, would save the depositors some money in many cases and eliminate many troublesome questions which now arise under the system laid down in the statutes."[24] The Comptroller's recommendations on the need for revision of the provisions for receiverships were timely: fifty-three state banks and trust companies were in the hands of receivers in June, 1927. By June of 1929 the number of state institutions in process of liquidation was eighty-four, but the high point in this category was not reached until June of 1932 when 143 state banking associations were being liquidated.

In January, 1928, Comptroller Amos again reported that: "The present banking statutes are antiquated in many features and these should be revised. Noticeable among these are the required capital and surplus in opening a bank, reserve require-

ments to be figured on a more practical plan, clarifying the proper functions of banks as distinguished from trust companies, some regulation with reference to the character and nature of banks acting as escrow agents, legislation governing in more particular the character and extent of certain investments, a comprehensive statute on the limitation of loans of which there is now a woeful lack of comprehensive legislation and in some phases no limits whatsoever."[25]

Here, Amos was referring especially to loans to officers, directors, and employees of banks. In 1926, the Comptroller had instituted, on his own, the practice of issuing charters to new banks only to those organizations which agreed to limit secured loans to officers, directors, and employees to a maximum of ten per cent of the capital stock. In addition, Amos required the charters of new banks to limit any unsecured loan to ten per cent and any secured loan to twenty per cent of the capital and unimpaired surplus. "In the case of banks previously chartered I have urged the adoption of these regulations," wrote the Comptroller, "as a part of their by-laws and have succeeded in a large number of cases."[26]

The 1929 legislature incorporated many of Comptroller Amos' recommendations in the most sweeping revision of the state banking laws since their revision of 1889. Limitations on loans to officers, directors, and employees were set at ten per cent of the capital and surplus; to customers ten per cent unsecured or a maximum of twenty-five per cent when all secured.[27] Limitations on dividends were set at ten per cent per annum and the surplus requirement was set at one hundred per cent for all banking associations. The 1929 revision continued the one hundred per cent liability of stockholders, and continued that liability for six months after a stock transfer on the books of the bank or trust company. An innovation was adopted which required the creation of a stockholders reserve fund of one hundred per cent. This reserve fund was to be created by carrying one tenth of the net profits, before dividends, semi-annually to the reserve fund until equal to the amount of capital stock. The reserve fund was to be deposited with the State Treasurer to fortify and strengthen the banks' liability, "to be withdrawn and used therefor only upon approval of the Comptroller as conditions require."

Under the 1929 revision the directors of banks were made jointly and severally liable for any losses incurred as a result of any violation of the state banking laws. Real estate loans were limited to forty per cent of capital and surplus. The power and authority of the Comptroller was strengthened in the authority given to that official to formulate reasonable rules and regulations to have the force of law. Using this authority Comptroller Amos quickly outlawed bank stock as collateral, prohibited the acceptance of second mortgages for bank loans, and required that all uncollected cash items of banks should be charged off after sixty days.

Important revisions, made in 1929, affected liquidation and receivership. Under the old law a receiver was required for each bank closed, with compensation of not over five per cent from all sources. Under the new law any number of receiverships might be handled by one liquidator with compensation limited to a maximum $6,000 annually for any person so employed.

As a result of this change the Comptroller reported that: "Considerable saving has been affected for depositors on account of this new provision of law. For example in Palm Beach district $51,000 per annum has been saved. In Dade County district $49,000. In other sections in like proportions as well.

"This saving is brought about by a co-ordination of the work, thus effecting economies. The compensation of liquidators is now limited by law to not more than 5% on cash collections, on which I place a further per annum limitation. For example, the Citizens Bank and Trust Company of Tampa is limited to $5,000 per annum, the Peoples Bank of Jacksonville $4,000 per annum. . . . General liquidation of Palm Beach County with ten banks $6,000 per annum."[28]

The 1929 law authorized the employment of a bank report analyst and not more than twelve bank examiners although the number of operating banks was reduced from 274 in 1926 to 178 in 1929. The same law raised the compensation of bank examiners and the examination fees to be paid by state banks and trust companies.

The year 1929 will be remembered for the fact that there were forty-three state bank and ten national bank failures. The failure of the Citizens Bank and Trust Company of Tampa re-

sulted in the failure of ten other banks in the Tampa area in July when twenty-four banks failed in two weeks, fifteen of these failures occurring in a single day.[29] *The Commercial and Financial Chronicle*, in reporting the July closings, laid the failures to the frozen assets from the boom aggravated by the embargo and other losses caused by the campaigns against the Mediterrean fruit fly. Thirty-four banks closed in 1930, 14 in 1931, 12 in 1932, and 25 in 1933.

In June, 1932, there were 135 state banks and trust companies in operation in Florida and 143 banks and trust companies in process of liquidation. Mention has been made of the total deposits of roughly $131 million in the twenty-seven national banks and 171 state banks and trust companies that were permanently closed from 1925 to 1934, inclusive. "Of the one hundred fifty-seven State banks whose affairs were wound up between 1928 and 1940, only four paid all of their obligations in full. Five banks did not return anything to their depositors. Four banks paid less than one per cent, while twenty others paid less than ten per cent."[30] In the same period one national bank paid obligations in full and one did not return any liquidating dividends to depositors; seven other national banks paid less than twenty per cent in dividends (see Table XI).

TABLE XI

DIVIDENDS PAID BY CLOSED BANKS: 1928 - 1940 [31]

	State Banks		*National Banks*	
Per Cent Paid	*Number of Banks*	*% Dividend*	*Number of Banks*	*% Dividend*
100	4	2	1	4
90 - 99	1	1	......	......
80 - 89	2	1	......	......
70 - 79	5	3	3	11
60 - 69	5	3	3	11
50 - 59	14	9	4	15
40 - 49	15	10	3	11
30 - 39	18	11	6	22
20 - 29	26	17	4	15
10 - 19	38	24	2	7
1 - 9	20	13	......	......
0 - 1	4	3	......	......
0	5	3	1	4
TOTAL	157	100	27	100

4. BEGINNINGS OF GROUP BANKING

The decline of values, tax delinquency, and economic deflation grew worse in Florida after the stock-market crash in the fall of 1929. Economic conditions of the depression forced tax delinquency which, in turn, made the problem of meeting public payrolls severe and some local governments reverted to the use of script. In the early 1930's the general revenue fund of the state was heavily in debt to other funds from which transfers had to be made.

When Governor Doyle Carlton addressed the 1931 legislature, the effects of the economic depression seriously underlined the recommendations of the chief executive for reorganization and retrenchment. The state's expenditures were analyzed in broad terms and Carlton made specific suggestions for improvement. The legislators, however, were so deeply involved in gasoline tax allocation and pari-mutuel betting legislation that Carlton held the legislature in session through two special sessions in order to secure the passage of the biennial general appropriations bill.[32]

Political action of the 1930's reflected the economics which accomplished the depression of business, industry, and commerce. Although the depression may not have been as severe in Florida as in more industrialized states, the effects on business and agriculture were serious. Many old and well-established enterprises passed into bankruptcy. The inflated valuation and heavy bonded indebtedness of businesses and the decline in revenues forced many failures. Both the Florida East Coast and Seaboard Air Line railroads went into receiverships.

In the 1930's many Florida governmental units defaulted on the payments of bond principal and interest. Bondholder committees were organized and new agreements were made toward refunding the public debts.[33] The banking interests were particularly interested in the restriction of public credit because of their holdings in state and local government securities. Although the tide of tourists slacked off during the depression, there were still many northerners who sougth the refuge of the warm Florida winter climate. The construction of paper mills to process pine from the forests, pre-cooling plants for the protection of perishable crops, and farmers' markets, all aided in some measure. Public works programs gave employment to the unemployed

and placed some money in circulation in the purchasing of construction materials and in wages. Improvements on public buildings and wholly new construction of courthouses, post offices, roads, bridges, and recreation centers with state and federal funds assisted the general economy while cultural, educational, and welfare projects occupied the time and provided money for the many participants in these enterprises.[34]

There is reason to believe that the effects of the depression were softened to some extent through the growth of several groups of banks in Florida. While Florida law stipulated that a bank or trust company should have only one place of business in a single community, there were no regulations as to the control of more than one corporation, whether in one community or in several communities. With control over several banking units the strengthening of the resources of the group and the opportunity for collective action in financial emergencies may be present.

In 1925, the Fairfield Atlantic Bank of Jacksonville became the first bank to be added to the Atlantic National group of banks. The growth of the Atlantic National Bank of Jacksonville, established in 1903, had been continuous under the leadership of Edward W. Lane. Later additions to this group were: the Springfield Atlantic National Bank of Jacksonville in 1925, the Riverside Atlantic National Bank of Jacksonville in 1926, the Sanford Atlantic National Bank in 1927, the Palatka Atlantic National Bank in 1928, Atlantic National Bank of West Palm Beach, 1929, First Atlantic National Bank of Daytona Beach in 1930, and the First National Bank of Gainesville, 1931.[35]

The second group, the Barnett National, began with the Barnett National Bank of Jacksonville under the leadership of Bion H. Barnett in 1929. Barnett National Banks were organized in DeLand and Cocoa in 1929, and Avon Park in 1930, and the group also secured control of the St. Augustine National Bank which had been organized in 1919.

The third group was organized around the Florida National Bank of Jacksonville which had been organized in 1906. The first additions to this group were Florida National Banks at Lakeland and Bartow in 1929; Florida Bank at Orlando, Florida Bank and Trust at Daytona Beach, and Florida National Bank of St. Peters-

burg in 1930; and the Florida National Bank and Trust Company at Miami, 1931.

Later on, two more groups were organized in Florida: The First National group on the lower east coast and the McNulty group of banks.[36]

The strength of these groups was revealed in their ability to weather the deflation of 1926-29 and the depression of the 1930's. These banks held a large proportion of the financial resources of Florida and through their collective efforts helped bolster the economy of the state.

Mention should be made of the investments of Alfred I. duPont, a retired Delaware industrialist who decided upon Florida as a residence and moved to Jacksonville in 1926. DuPont stated that he hoped through helpful works "to build up good in this State and make it a better place in which to live. In my last years I'd much rather have the people of Florida say that I had helped them and their State than to double the money I now have."[37] Like Henry M. Flagler, another retired industrialist who invested in Florida, however, duPont did not lose money even if the returns might not have been as great as on his investments in the north.

In Jacksonville duPont secured control of the Florida National Bank as a beginning in his determination "to build up good" in the state. At the time of the bank failures of July, 1929, led by the Citizens' Bank of Tampa, depositors of the Jacksonville banks began withdrawing their money. It was then that duPont publicly announced that he had placed fifteen million dollars at the disposal of the Florida National and stopped the run on the bank. In September, 1929, the duPont interests opened the second Florida National Bank, at Lakeland, and Governor Carlton "hailed the event in advance as evidence that the State had 'turned the corner'."[38] A month later the Florida National Bank at Bartow was opened, followed in March, 1930, by a bank at Orlando, one at Daytona Beach in May and one at St. Petersburg in October. At the close of 1930 the aggregate deposits of the six banks were over twenty-seven million dollars. In August, 1931, Alfred duPont opened the last bank prior to his death, the Florida National Bank of Miami.

5. THE CRISIS OF 1933

By way of recapitulation, the banking situation in Florida from 1926 to the close of business in 1933 was in the nature of extreme deflation. National banks dropped in number from 62 to 45 and in resources from $315 million to $186 million. State banks, in the same period, dropped from 274 to 105 in number and from $325 million to $51 million in resources. The banking situation in Florida, however, was but a part of the national situation when 12,677 banks failed in the twelve years prior to the depression.[39]

After 1929, bank closings in Florida were balanced, to some extent, by the opening of new banks and the reopening of some which had closed. The number of national banks dropped only seven in this four year period while the number of state banks dropped by thirty-two in the same years. This was not true of banks in the nation at large, however, for the majority of bank failures in the United States came after 1929.

In the closing months of 1932 and the opening months of 1933, the events which led to the national bank holiday took place with increasing rapidity. Some authorities, in relating the background of the national bank holiday, begin with the abandonment of the gold standard by England in September of 1931. This action by England forced a drain on the United States' gold supply and exerted pressures for lower prices for export commodities.[40] "Two events, occurring during the second half of 1932, are generally regarded as important precursors of the bank holiday of March, 1933. They were the action of Congress in July, 1932, making public the loans of the Reconstruction Finance Corporation . . . a colossal blunder causing runs on the banks that borrowed. . . . The other event was the bank moratorium in Nevada beginning November 1st and lasting a month."[41]

In January and February, 1933, the closing of banks in Missouri and California precipitated bank runs and closings in those states while the Governor of Louisiana declared a bank holiday on February 4th. On February 13, the inability of the Union Guardian Trust Company of Detroit to continue paying depositors forced the governor of Michigan to call an eight-day bank holiday thus freezing $1,500 million in deposits in that state.[42] On February 25, a similar holiday was declared in Maryland,

followed by state holidays in New York and Illinois until bank moratoria prevailed in over three-fourths of the states when President Franklin D. Roosevelt was inaugurated on March fourth.

Fortunately, March fourth was a Saturday, and the banks of Florida generally were open for the short business day. However, Governor David Sholtz issued a proclamation authorizing Florida banks to close at eleven o'clock in the morning. "In conjunction with the Comptroller of the State of Florida, bankers representing different sections of Florida were requested to meet in Jacksonville on Sunday morning, March 5, 1933. The Federal Reserve Bank having discontinued the payment of currency on Saturday, March 4, bankers from all sections of Florida met in Jacksonville on Sunday morning, March 5, and remained in session practically all of the day. There were more than 150 in attendance. At that time no pronouncement had been made by the President of the United States, and it was therefore incumbent on the bankers of Florida to determine what course they would pursue in view of the banking moratoria declared by numerous states of the Union."[43]

On March 6, 1933, President Roosevelt declared a national bank moratorium and Congress, under the Emergency Bank Act of March 9th provided that the chief executive might extend the holiday at his discretion. The Jacksonville Branch of the Federal Reserve Bank of Atlanta was made responsible for the opening of all member banks and the Comptroller of the state had charge of the non-member state banks.

At the end of the bank holiday, March 16, all but eight of the national banks in Florida "were licensed to resume normal banking functions without restrictions. These eight unlicensed banks had deposits of $3,546,000. Following the banking holiday, seven of these eight banks, with deposits aggregating $3,432,000, were reorganized and one, with deposits of $114,000, was placed in receivership following disapproval of plans for reorganization."[44] In June, 1933, Comptroller James M. Lee reported: "Following the moratorium I pursued the conservative policy of issuing licenses to resume normal banking activities to only those banks, which according to the information at hand, presented a strong capital structure and 92 banks were issued a permit subsequent to the moratorium to resume normal banking activities. Other banks were restricted, some of which

were later placed in Conservatorship after the Legislature provided for the appointment of Conservators."[45]

The First National Bank of Miami was selected as an outstanding example by Garet Garrett in his article on "Why Some Banks Fail and Others Don't," in *The Saturday Evening Post* of May 20, 1933. Garrett wrote that during the Florida land boom Edward C. Romfh "was execrated throughout the state because he refused to lend his depositors money on inflated real estate. He had seen booms before . . . he never forgot how much land there was in Florida . . . From the top of the boom to the slough of depression, his deposits fell from fifty-six million dollars to twelve million dollars, and during all that process of liquidation his bank was never less than 73 per cent liquid—meaning that against $100 of deposits there was never less than $73 in cash and current securities. As the deposits fell, this percentage of liquidity steadily rose until it was 95."

On June 30, 1933 there were 143 reporting banks in Florida with capital of $21 million and deposits of $180 million; 45 national banks and 98 state banks.[46]

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Chapter XI

RECOVERY AND EXPANSION: 1934 - 1954

1. ECONOMICS OF RECOVERY

Readjustment and economic recovery in Florida after 1933 was accompanied by a large amount of social and economic legislation at the national and state levels. What part the revision of national and state laws played in the recovery from the depression would be difficult to measure, but the effects were of major importance. Much of the change in Florida laws came as a result of the persuasive legislation of the federal government, which made the passage of similar state laws profitable in return for grants of money from the national treasury. Among the important economic security laws were workmen's compensation, pension, aid for disabled, farmers' markets, beverage and milk control, and employment.

Forward steps were evidenced in the fields of fire control and forest conservation for land and forest. The creation of a Citrus Commission with powers to regulate citrus shipment and to advertise Florida fruit was indicative of political effort to promote a major economic enterprise.[1] At the same time, from 1930 to 1940, there were significant legislative and constitutional changes in public finance and taxation which affected economic recovery. The taxation trend, designed to attract and hold investment capital in Florida, had begun in 1924, with constitutional amendments to prohibit state income and inheritance taxes. In 1934 the state and local ad valorem tax on homesteads was prohibited on the first five thousand dollars in value on homes. By constitutional amendment of 1940, the state abolished ad valorem taxes on real property and left this field of taxation to county, city and other local governments.

With these and similar amendments ratified by the electorate, the financing of public education, pensions, and other benefits, the state entered new areas of taxation. For road construction, and other services, the gasoline gallonage tax was raised, and with the repeal of prohibition, alcoholic beverage taxation was resumed. Legalization of pari-mutuel betting at race tracks opened another source of revenue for state and local government. The state government gradually shifted the burden

of state taxes to consumers, on such items as gasoline, beverages, and tobacco and to others who benefited by the protection and services of the state.[2]

One of the major reasons for the improvement of the Florida economy after 1933 was the expenditure of federal money for public relief and welfare; public construction; farm crop support and soil conservation programs; and federal functions in the National Guard, public buildings, rivers and harbors, flood control, housing authorities, and veterans' benefits.[3] Federal expenditures in Florida rose from $12,772,000 in 1930 to $62,718,000 in 1934, and averaged over $54,000,000 annually in 1935, 1936, and 1937. In 1938 federal expenditures dropped to $48,657,000 but rose to $67,218,000 in 1939 and to $64,920,000 in 1940. Beginning in 1934 and continuing through 1940, federal grants for outright welfare and relief, aside from social security and economic assistance, accounted for roughly one-half the annual expenditures. Offsetting federal expenditures, federal taxes collected in Florida in the relatively prosperous years of 1930 and 1937 were more in total, whereas in the middle 'thirties "when federal expenditures were expanded to offset the business decline, the reverse was the case with expenditures far more than the revenues paid."[4]

The program of federal assistance was general throughout the state, but an outstanding example was the rehabilitation of Key West. The island community was near the peak of its prosperity when the overseas railroad reached Key West in 1912, a situation which continued through the first World War. After the armed forces moved out, the cigar factories departed to Tampa, and the sponge fishing taken over by the divers from Tarpon Springs, the population dropped from twenty to twelve thousand. By 1933 the local debt of city and county reached $5,000,000 with unpaid interest of over $250,000 more. "Public officials went unpaid. Many of the old citizens left in discouragement, so that the population dwindled . . . Even this number could not be supported; about one-fourth were on relief."[5]

In July, 1934, the officials of Key West and Monroe County turned the community over to the Federal Emergency Relief Administration to develop Key West as a tourist attraction. The relief administration began an advertising campaign, opened the closed Casa Marina Hotel, arranged ferry and plane service,

and staged two annual festivals. At the same time a highway was begun from the mainland to Key West. By 1940 the population had risen to an all time peak with a population of 22,000, and the overseas highway had become a leading tourist attraction.

Another reason for the restoration of the state's economy was the money spent by visitors who continued to spend their vacation in Florida. Building rose from $400,000 in 1912 to $9,-000,000 in 1937. Winter tourist travel increased from an estimated 500,000 in 1933 to over two million persons in 1936-1937.[6] By the 1939-1940 season "2,600,000 tourists spent on the average of $110.00 each, although 43 per cent of them remained in the state for two or more months: one-fifth of all these visitors spent between $5.00 and $10.00 daily, while one-tenth of them expended less than $2.50."[7] By 1940, Florida had become the playground for the common man as well as the more well-to-do. The stimulation of the visitors spending helped Florida recover from the effects of the depression more rapidly than a number of other states.

The enterprises of agriculture and industry were slower to recover, however, for in 1939 both farm products and manufactured products lagged behind the records of the previous decade. In agriculture, citrus and vegetable production set new volume records each year, but price rises did not accompany these records. In industry, the introduction of pulp mills at Panama City and Port St. Joe in the 1930's gave an indication of new developments in forestry and paper manufacture. At Port St. Joe the duPont interests, with a million dollars invested in 280,000 acres of land, backed the pulp mill in 1935.[8] By 1944 six paper or pulp mills were in operation in the state, employing almost ten thousand persons in factory and forests with an annual product of $41,000,000.

By 1940 Florida had recovered from the effects of the frantic land boom of the 1920's and the deflation and depression of the 1930's. Despite the handicaps of "boom and bust" the economy of the state had slowly but steadily expanded on a sounder basis after 1925.

2. CHANGES IN NATIONAL BANKING LAWS

The federal banking legislation enacted by Congress in 1933 and in 1935 provided the most sweeping changes since the legis-

lation creating the Federal Reserve System. The first important provision of the act of 1933 relaxed requirements for branch banking so that national banks with capital of $500,000 or more might engage in state-wide branch activity in states which permitted such operations. As Florida banking laws prohibited branch banking, the status quo was maintained in this state.

Capital requirements were raised, for the organization of new banks, from $50,000 for cities of 50,000 or less and $200,000 in larger cities. Security affiliates and bond departments, except for customer accounts, were banned, thus no underwriting was to be permitted (except in the case of government obligations).[9] The Banking Act of 1933 prohibited further payment of interest on demand deposits except on deposits of public funds where interest was specified by law and further, the Federal Reserve Board was empowered to regulate interest payments on savings deposits.

One of the most important provisions of the 1933 act related to the establishment of government insurance for bank deposits. Deposit insurance was created by establishing the Federal Deposit Insurance Corporation, an agency whose capital was supplied from the national treasury and the Federal Reserve Banks. Institutions participating in the plan were at first subject to unlimited assessments of a fourth of one per cent of their deposits, but this was amended in 1935 to a limited assessment of one-twelfth of one per cent of the participating bank's average deposits.[10] Institutions presently participating in the federal deposit insurance plan are subject to assessments of one-twelfth of one per cent of their average annual deposits. Within recent years the Federal Deposit Insurance Corporation has given insured banks credit against their insurance assessments based on the net operating income of the federal agency. This credit has varied between 50 and 60 per cent of the individual bank's assessment.

The 1935 national bank act liberalized real estate loan policy as follows: "The amount of any such loan hereafter made shall not exceed 50 per centum of the appraised value of the real estate offered as security and no such loan shall be made for a longer term than five years; except that any such loan may be made in an amount not to exceed 60 per centum of the appraised value of the real estate offered as security and for a term not

longer than ten years if the loan is secured by an amortized mortgage, deed or trust, or other such instruments under the terms of which the installments are sufficient to amortize 40 per centum . . . or more of the principal of the loan within a period of not more than ten years.

"No such association shall make such loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired surplus fund, or in excess of 60 per centum of its time and savings deposits whichever is greater."[11]

The 1935 law returned to the principle of liquidity that existed during the early years of the national banking system. This principle was defended on the basis that: "The liberalization of real-estate provisions will make it easier for member banks to participate in the financing of building activity, the resumption of which is an essential factor in recovery. It is also in recognition of the fact that it is as proper for a member bank having a large volume of time deposits to make mortgage loans as to purchase long-time bonds the marketability of which, experience has shown, may be seriously impaired in a depression. The danger for banks is not in making real estate loans as such, but in making poor loans of any kind."[12]

An important provision of the 1935 law authorized the termination of double liability of stockholders after June, 1937, a measure that had been made in the 1933 act with respect only to shares issued after the passage of the earlier act in 1933.

3. CHANGES IN STATE BANK LAWS

The enactment of the federal laws of 1933 and 1935 exercised a profound effect on banking generally throughout the United States. The effect of the federal laws was almost immediate in Florida when the 1933 Legislature revised the state banking provisions and authorized the purchase of stock by state banks in any federal agency created for the purpose of the insurance of bank deposits.[13] With the modification of the law in this respect, Florida state banks which were unrestricted, with the exception of the Quincy State Bank, Quincy, became members of the Federal Deposit Insurance Corporation Fund in a few months.[14] Further changes, enacted by the 1933 legislature gave bank liquidators the right to borrow money and pledge assets to speed up liquidation of closed banks, provided for the

revamping of closed banks, and for the appointment of conservators by the Comptroller to receive and to reorganize banks in danger of closing.[15]

In 1937 the state laws were amended with the provision that banks might "enter into such contracts, incur such obligations and generally do and perform any and all such acts and things whatsoever as may be necessary or appropriate in order to take advantage of any and all memberships, loans, subscriptions, contracts, grants, right, or privileges, which may at any time be available or enure to banking institutions or to their depositors, creditors, stockholders, conservators, receivers, or liquidators" under the laws controlling the Federal Deposit Insurance Corporation.[16] The 1936 amendments also provided that the State Comptroller could appoint the Federal Deposit Insurance Corporation to serve as liquidator and to subrogate that agency in the event the corporation was required to make payments under its insurance.[17]

The same session of the legislature "passed laws eliminating liability for assessment for state chartered banks where the bank is a member of the Federal Deposit Insurance Corporation, or where the bank has an unimpaired surplus equaling the amount of its capital, and eliminated the requirement for building up a stockholders' reserve fund. The enactment of these laws is in line with the national law which has relieved the national banks from the assessment liability, and is also in line with laws passed in many states."[18]

These modifications were the result, in part, of the work of the legislative committees and chairmen of the State Bank Section of the Florida Bankers Association. In the ten-year period, 1941-1951, the legislative program of the Florida Bankers Association was devoted to the improvement of the state banking laws. "Among the new laws enacted during this period were many of the so-called Model American Bankers Association statutes. The recommended merger and consolidation act was passed bringing the Florida Law into conformity with the Federal Statute, thereby permitting mergers and consolidations of state and national banks. Section 653.16, payment of deposit made in more than one name, and Section 653.17, covering deposits as trustee, were amended. An Act to authorize deposits and withdrawals by minors was enacted.

"An Act was passed in 1941 authorizing banks to make loans not in excess of $1,500 on a six per cent discount basis where the loan is repayable in installments and later the act was amended to increase the maximum to $2500. This Act enabled banks to operate installment loans departments on a competing basis with other lending institutions in this field.

"An Act protecting banks in the event of payment, certification or acceptance of checks and other negotiable instruments or other transactions after hours or on a holiday, was enacted in 1943 as well as a statute providing for the disposition of unclaimed dividends. In 1945, there was enacted a statute enabling banks to make commodity loans which was an exact copy of the Federal statute on this subject which permits loans in excess of the usual limitation of ten per cent of the unimpaired capital and surplus to a single borrower.

"In 1947, persons issuing post-dated checks were required to notify the bank and fully describe the check, otherwise the bank was relieved of liability for paying such check.

"Due to the fact that on occasion it is necessary to close business establishments during storms or hurricanes, banks were in 1949 authorized to close for a period not in excess of 48 hours whenever, in the judgment of its officers, the lives, property and safety of the institution and its employees would be endangered due to an impending hurricane or other catastrophe. In 1951, banks were permitted to destroy files and records after a period of ten years, except that ledger sheets showing unpaid balances in favor of depositors could not be destroyed unless photographic copies were retained."[19]

4. RECOVERY OF BANKING: 1934 - 1940

At the close of the year 1933 the resources of Florida banks stood at $175,332,000 for national banks and $51,168,000 for state banks, or total resources of $226,400,000. By July of 1934, national banks resources rose to $195,969,000 and state bank resources of almost $56,910,000, or total resources of almost $253,000,000; a gain of over $25 million in six months.[20] In his annual address as President of the Florida Bankers Association, W. A. Redding, stated in November, 1934, that the increase was "due to the fact that we had a fine growing season last year, that our truck and fruit growers received fair prices for their

products, and that we enjoyed one of the best tourist seasons in our history."

"Added to this, the Home Owners' Loan Corporation has made 10,961 loans in Florida aggregating $25,000,000, $2,432,000 of which was used for delinquent taxes and $1,300,000 for repairs. Federal farm loans during the last sixteen months totalled 6,500 in number and $14,000,000 in money. Approximately $2,500,000 per month is being spent for relief and public works in Florida by the Federal Emergency Relief Administration. And the Reconstruction Finance Corporation has authorized loans amounting to $4,602,000 to help sixty-seven closed banks in Florida. These RFC loans were made for payment of dividends only. I might add that the RFC has furnished additional capital to forty-four banks through preferred stock purchases amounting to $1,500,000."[21]

In December, 1936, John T. Campbell, president of the Florida Bankers Association, reported that: "The new banking laws and regulations have been in effect something over a year now, and while there are some inconveniences, the laws are wholesome and constructive and in the interest of the public and the banks. The public mind for the safety of their funds has certainly been comforted by the federal deposit insurance law. The expense appears to be reasonable and fully justified. Certainly it has been the cause of greatly increased deposits in licensed Florida banks, which have increased from $165,862,000 in June, 1933, to $303,107,000 in June, 1936—a gain of 82-plus per cent and in number of licensed banks from 124 to 156."[22]

Reflecting the continued improvement in the Florida economy in general and in the banking situation in particular, S. W. Anderson, president of the bankers association, stated a year later, in 1937, that: "The Florida banks, state and national, have increased in deposits from $303,558,000 on March 4, 1936, to $373,436,000 as of March 31, 1937, an increase of more than $70,000,000."[23] By the end of 1939, the 162 banks of Florida could report deposits of $408,922,000, a $100 million dollar increase within a period of four years and an increase in deposits of $343 million after June, 1933.[24]

The role played by deposit insurance, after 1933, in the recovery of banking cannot be positively measured, but the

opinions of observers generally followed that of Marshall R. Diggs, executive assistant to the Comptroller of the Currency, who told the Florida Bankers convention of 1934 that: "The increase shown in the deposits of Florida banks was not unusual. In fact, deposits in banks throughout every section of the country have been steady and substantial gains this year. This has been largely the result of the inauguration of Federal deposit insurance. Other favorable developments which this protection has brought about—to mention only a few—include the return of hoarded money to the banks, a complete absence of bank runs this year, and best of all, a renewal of public confidence in the nation's banks . . .

"The bankers of Florida have been quick to sense the advantages of Federal deposit insurance. There are 145 institutions within your boundaries which are affording this protection to their depositors. This total represents ninety-eight per cent of the licensed banks of Florida—and indicates that your state ranks among the very highest in percentage of insured banks."[25]

A year later, in 1935, J. F. T. O'Connor, Comptroller of the Currency, in reviewing the national banking situation, referred specifically to Florida conditions, when he noted that the speculative appraisals of 1926 had been "replaced by sound values and the state's banking system has shown a resiliency scarcely equalled in any other section of the nation. While the number and resources of banks in the state have been reduced considerably, the position of the banks is far more sound than at any other period in the history of the state. On June 30, 1935, there were 151 banking institutions in Florida with $22,222,000 in capital and deposits of $243,637,000. These figures compare most favorably with figures compiled for June 30, 1933, when there were 143 reporting banks in the state with capital of $20,949,000 and deposits of $179,195,000."[26] O'Connor credited deposit insurance with the restoration of public confidence in banks and echoed his assistant's statement of the previous year: "the fear on the part of the bankers of bank runs has been dissipated, and millions of dollars in hoarded money have been returned to the vaults of the banks by the depositing public."

Under the provisions of the National Banking Act of 1933, the temporary plan of deposit insurance went into effect on the first of January, 1934. In Florida, 136 banking institutions, 46 national

banks, 3 state banks that were members of the Federal Reserve System, and 87 state banks that were not members of the Federal Reserve System had joined the Federal Deposit Insurance Corporation.[27] By October, 1934, the number of insured banks in Florida had risen to 144 of the 155 commercial banks in the state.

TABLE XII

INSURED ACCOUNTS IN COMMERCIAL BANKS IN FLORIDA, OCTOBER 1, 1934 [28]

	No. of Banks	No. of Insured Accounts	Accounts Insured: Fully No.	%	Partially
National Banks	50	296,084	292,661	98.8	3,423
State Member Banks	4	9,837	9,697	98.6	140
State Non-Member Banks	90	105,452	104,616	99.2	836
TOTALS	144	411,373	406,974	98.9	4,399

With the inauguration of permanent federal deposit insurance in 1935, the number of insured banks in Florida rose to 51 national banks, 3 state banks that were members of the Federal Reserve System, and 93 non-member state banks. By 1940 there were 52 national banks, 5 state member banks, and 107 state non-member banks with insured accounts; at this date three banks and trust companies remained uninsured. In 1954, the Quincy State Bank, Quincy, was the only uninsured commercial bank.

TABLE XIII

NUMBER OF INSURED AND UNINSURED BANKS [29]

	Total No. of Banks	No. Uninsured Banks	Number of Insured Banks: Member Banks National	State	State Non-Member Banks
1934	148	2	50	4	92
1935	153	5	51	3	94
1936	158	5	53	4	96
1937	161	3	53	4	101
1938	164	3	53	4	104
1939	164	3	52	4	105
1940	167	3	52	5	107

By 1938 the number of bank accounts in 161 insured banks in Florida was reported at 572,000 of which 98.5 per cent were fully insured. The following table reveals the growth of bank deposits in the state from 1934 to 1940. The table further reveals that the vast majority of the growth of bank deposits was made in the insured banks.

TABLE XIV

AVERAGE DEPOSITS OF OPERATING COMMERCIAL BANKS[30]

	All Banks			Insured Banks		
Year	*Total*	*Insured*	*Uninsured*	*Member National*	*Member State*	*Non-Member State*
1934	$229,923	$228,458	$1,465	$180,907	$ 7,741	$39,810
1935	248,119	245,376	2,743	193,959	7,632	43,785
1936	305,039	302,436	2,603	237,091	10,539	54,806
1937	339,509	337,244	2,265	261,653	10,651	64,940
1938	335,216	353,083	2,133	271,470	11,820	69,793
1939	393,291	391,101	2,190	302,328	11,955	76,818
1940	454,214	452,005	2,209	350,287	14,411	87,307

"From the foregoing figures, it is evident that while the banks in Florida have upheld the traditions of independent unit banking even to the extent of not becoming members of the Federal Reserve System in large numbers, when it came to insuring deposits on a national basis they accepted the principle wholeheartedly. The plan of insuring deposit accounts in full in amounts up to and including $5,000 has resulted in almost complete coverage of the depositors in Florida banks."[31]

A survey of the banking facilities of Florida in 1940 revealed a total of 165 banks with resources of $454,201,000, with average resources per bank at $2,753,000. The population of the state was reported at 1,887,804 in the 1940 census so that the number of persons per bank were 11,441 and the bank resources per person were $241.[32] Five years earlier, in 1935, there were 154 banks, with resources of $271,602,000 and resources per bank of $1,765,000. Bank resources per person, on a population of 1,606,842, were $169 with 10,435 persons for each bank.

The distribution of banking facilities, in 1940, found 11 per cent of the banks of the state in the counties of the western

section of the state—from the Perdido to the Apalachicola Rivers. In the northern counties from the Apalachicola to the Suwannee Rivers were found 10 per cent of the banks; 15 per cent in the northeastern counties; 36 per cent in the central counties, including Hillsborough; and 28 per cent in the counties of the southern end of the state. By these sections, bank resources were divided in 1940 as follows: west, 5 per cent; north, 4 per cent; northeast, 32 per cent; central, 29 per cent; and south, 28 per cent. At the same time the population of the state by these sections was west, 11 per cent; north, 8 per cent; northeast, 19 per cent; central, 34 per cent; and south, 28 per cent. The distribution of banks by sections was very close to the distribution of population.

The distribution of resources was greater than population distribution in the northeast, about the same in the central and south, and the per cent of resources in the north and west were but half the per cent of the population.[33]

A consideration of the banking facilities available in the three largest counties in population in 1940 noted Duval County, with 11 per cent of the state's population contained 29 per cent of the banking resources of the state. The percentage of the state's population in 1940 found in Dade County was 14 per cent, of banking resources 18 per cent. For Hillsborough County in the same year the percentage of population was 10 per cent, of bank resources the same amount. Thus, the banks of these three counties contained 35 per cent of the population in 1940 and 57 per cent of the banking resources.

In 1940 there was no great concentration of banking facilities in any county, though Duval with Jacksonville as the only "reserve city" in the state accounted for a greater percentage of resources on the basis of the deposits of banks of other counties deposited there. In 1940 there were banks in 118 cities and towns of Florida; 89 of these cities possessed only one bank, and these 89 banks held but 12 per cent of the resources of all the banks in the state. The average resources of these single banks were $630,000. In 1940, the average resources of banks in which there were two in a city were $2,689,000; where there were three banks in a city, the average resources for each bank was $3,599,000.[33]

In 1940, "the discrepancy between the size of the banks in the one-bank as compared with the two-bank cities is very marked. Although 88% of the banking resources in Florida are found in the 25% of the cities that have two or more banks, this 'decentralized concentration' is less now than at any time since 1900, excepting 1935. Also, the number of communities with banking facilities has increased somewhat faster than the number of banks over the forty year period. This is not saying, however, that there are as many towns and cities with banking facilities as is desirable. But it is not probable that the number of places with a bank will increase more rapidly than the population under the system of unit banking which is found in Florida. Group banking has not significantly increased the number of cities which have banks—only eight of the twenty-three affiliates of the large Jacksonville banks are furnishing the sole banking service in their respective communities, and in but two of these towns have banking facilities been provided for the first time."[34]

TABLE XV

DISTRIBUTION OF BANKS BY PLACES IN FLORIDA[35]

				(Cities with Two or More Banks)	
	Cities With Banks	*Cities With One Bank*	*Per Cent of Total Cities*	*Per Cent of All Banks*	*Per Cent of All Resources*
1900	25	20	20%	44%	74%
1915	146	87	40%	65%	93%
1926	180	103	43%	69%	92%
1935	113	86	24%	44%	86%
1940	118	89	25%	46%	88%

5. NATIONAL BANKING: 1935 - 1954

National banks in Florida recovered in striking fashion from the bank holiday of 1933. Eight national banks in Florida, with aggregate deposits of $4,795,000, remained unlicensed on March 16, 1933. "Of these, seven banks with total deposits of $4,668,000 were licensed and opened under new or old charters; while one of these banks, which contained deposits of $127,000, was placed in receivership . . . the last of the seven banks which received licenses was reopened on June 15, 1934."[36] In 1934, banking conditions continued to improve and the national banks began to expand in number and deposits. From a low of 45

national banks at the end of 1933, the number increased to 50 in 1935 when these banks reported $15,780,000 in capital and $190,104,000 in deposits.[37] By 1940 deposits in the 52 national banks had virtually doubled the 1935 figure and stood at $378,082,000. In 1944, national bank deposits passed the billion dollar mark: $1,035,271,000; and in 1950 were $1,362,916,000.

TABLE XVI

PRINCIPAL ITEMS OF RESOURCES OF NATIONAL BANKS: 1935-1953

(in thousands of dollars)

Year	*No. Banks*	*Loans*	*Assets*	*Deposits*
1935	50	$ 37,718	$ 215,999	$ 190,104
1936	52	43,064	261,244	236,640
1937	53	55,128	285,869	260,285
1938	53	65,189	297,669	268,505
1939	52	74,905	345,665	315,000
1940	52	98,756	410,967	378,082
1941	52	98,801	429,607	393,900
1942	54	86,676	667,318	626,652
1943	55	117,861	859,006	813,605
1944	56	126,695	1,087,426	1,035,271
1945	58	170,693	1,378,679	1,316,227
1946	60	218,243	1,314,265	1,243,647
1947	61	239,617	1,297,077	1,251,064
1948	61	239,045	1,231,606	1,151,711
1949	61	246,650	1,293,684	1,207,282
1950	62	317,872	1,458,362	1,362,916
1951	63	355,854	1,582,875	1,476,875
1952	64	396,563	1,732,094	1,617,768
1953	66	453,192	1,826,506	1,702,062

Source—Annual Reports of the Comptroller of the Currency.

From 1934 to 1950, national banks were chartered at the rate of four in 1934, one in 1935, two in 1936, two in 1937, one each in 1941, 1942, 1943, and 1944. Four national banks were chartered in 1947, and one each in 1950, 1951, and 1952; two in 1953, and seven in 1954. A number of the charters were granted to reorganized national banks and an almost equal number were converted from state bank charters.[38]

The year-end totals in deposits in Florida's national banks began to show increases in 1934, and continued through World War II, although the gain in 1937 and 1938 was relatively small. On the arrival of business recovery in 1938, deposits gained

more rapidly in the state than throughout the nation each year until 1946.

"Florida's peculiar climatic advantages resulted in a flow of funds into the state during the war years. Because year-round military training there was possible, army and navy installations were expanded and new airfields and training centers appeared almost overnight. Floridians and people from other states went to work in the new shipyards in Jacksonville, Tampa, and Panama City. These yards employed over 66,000 workers during the period of highest employment, more employees than had been working at all of Florida's manufacturing establishments before the war."[39]

Wartime developments combined to raise the deposits of national banks in Florida from $393,900,000 at the close of 1941 to $1,316,227,000 at the close of 1945, an increase of well over 300 per cent. "Every section of the state shared in the increase, but the rate of growth was especially outstanding at banks outside the major cities of Jacksonville, Miami, and Tampa."[40]

The end of the war brought an end to most of the shipbuilding and drastic cuts in military and naval expenditures. The state's industrial plants were not as readily convertible as those in many other states and income payments were less in Florida in 1946 than those of 1945, whereas in the same period income payments increased 14 per cent over the nation. As a result bank deposits declined $73 million in national banks in 1946 and did not pass the 1945 figure again until 1950. The decline in deposits in 1948 was attributable, in part, to a decided slump in agricultural income. Increasing tourist expenditures and better agricultural prices contributed to the expansion of deposits at the rate of $50 million in 1949 and $155 million in 1950.

6. STATE BANKING: 1935 - 1954

The recovery of state bank institutions in the twenty year period, 1934-1954, was remarkable. From 105 banks with assets of $60,169,000 in 1934 to 145 banks with assets of $979,959,000 and in growth in deposits from less than $50 million to almost one billion dollars was the record for the two decades.

Within five years, after the low point of state bank resources in modern years in 1933, the number of banks increased from 98 to 113. The increase in resources in these five years 1934-

1939, was $165 million or 72 per cent. Professor Harwood B. Dolbeare wrote in 1939 that the assets of Florida state banks were then greater "than at any time except booming 1924 and 1925, and assets far sounder than those of the boom period. In number, however, one has to go back to 1910 to find an equally small number. Another change which is now apparent is the relative decline of the state banks. Whereas in the early 1920's the state banks were about four times as numerous and had resources almost equal to the national banks, to-day the state banks are only twice as numerous and their resources have fallen to about a third of those of the national banks in the state.

TABLE XVII

CHANGES IN NUMBER OF STATE BANKS AND TRUST COMPANIES: 1935 - 1954 (Fiscal Year)

	New Banks and Trust Co's.	*Banks in Voluntary Liquidation*	*Consolidations and Mergers*	*Placed in Conservancy*	*Closed*	*Converted to National Banks*	*TOTAL*
1935	2	2	2	1			102
1936	3				1		104
1937	6	1					109
1938	3	1				1	110
1939	2						112
1940	2						114
1941	1					1	114
1942	1	1			1		113
1943	1					1	113
1944							112
1945							112
1946	4					4	112
1947	9					1	120
1948	2	1					121
1949	4						125
1950	5						130
1951	5						135
1952	7	1					141
1953	2						143
1954	6					4	145

"This changed relationship in Florida, however, is not due so much to the effects of the 1925 boom as it is to factors which were operating with similar results in other states. I refer to the increasing proportion of the population in cities of 10,000 and

more inhabitants, and especially to the increasing concentration of banking in the larger cities, encouraged by the general use of automobiles and the rapid increase of hard-surfaced roads. These factors have led to a decline of state banks in Florida as elsewhere. In our neighboring states of Georgia and Alabama, there has been a similar change."[41]

In the period from 1914 to 1939 state bank resources in Florida doubled whereas state bank resources in Georgia and Alabama showed only a small increase, but the resources of national banks in the three states increased about two and a half times those of state banks in the three states. By 1939 the average state bank in Florida held resources four times as large as the resources of the average state bank in 1914. In 1939 the Florida state banks were serving in over a hundred towns and cities, and in seventy-six places the state bank was the only banking institution. "These are the smaller communities, and the supplying of their banking needs is the primary service of the state banking system today, as it has been throughout the past half century."[42]

TABLE XVIII

PRINCIPAL ITEMS OF RESOURCES OF STATE BANKS: 1934 - 1954

(in thousands of dollars)

Year	*No. Banks*	*Loans*	*Deposits*	*Assets*
1934	105	$ 13,605	$ 49,392	$ 60,169
1935	103	17,328	57,565	68,386
1936	105	22,077	74,204	86,099
1937	109	25,060	75,903	88,470
1938	111	28,129	79,909	93,125
1939	113	32,204	94,418	108,535
1940	114	31,285	101,542	116,168
1941	114	35,479	118,454	136,191
1942	113	32,535	133,908	151,495
1943	113	25,464	248,410	266,848
1944	112	31,209	333,887	355,315
1945	112	36,851	427,571	450,838
1946	112	53,789	497,683	522,523
1947	120	75,148	472,461	502,303
1948	121	95,775	488,305	521,281
1949	125	103,851	514,917	522,678
1950	130	128,516	578,099	619,823
1951	135	159,039	658,704	704,443
1952	141	188,596	750,843	806,162
1953	143	229,213	854,280	911,994
1954	145	258,745	911,601	979,959

Source: Annual Reports of State Comptroller, 1934-1954.

In another study, made by Professor Harwood B. Dolbeare, of the asset composition of Florida state banks, in 1939 the character of the assets had changed from $57 of loans in each $100 of assets in 1919 to $30 in 1939. The holding of securities as assets increased from $13 to $27 for each $100 of assets and cash from $24 to $39 for each $100 of assets, 1919 and 1939.[43] Reference to Table XVIII reveals a steady annual growth in the deposits of state banks. In 125 state banks, in 1949, deposits passed the $500 million mark for the first time since the land boom peak of 1925. At the end of 1949 Comptroller Clarence M. Gay announced total loans in 128 state banks were $121 million and total resources $556 million—a new high in total resources.[44] The ratio of loans to total resources in 1949 stood at 22 per cent, compared with similar percentages of 57 in 1925, 62 in 1914, and 58 in 1894. "In 1894 the total resources of 20 banks averaged $86 thousand per bank. In 1914 this figure was $12 thousand per bank; in 1926 $2 million per bank and in December, 1949, over $4 million per bank." Gay wrote: "This means that we now have fewer but larger banks which can render better service at lower costs."[45]

In an address to the convention of the Florida Bankers Association in 1950 Comptroller Gay gave a break down of capital-asset ratios at the end of 1949 as follows:

22 banks with a ratio of 10% or more
32 banks with a ratio of 9% or more
45 banks with a ratio of 8% or more
62 banks with a ratio of 7% or more
86 banks with a ratio of 6% or more
44 banks with a ratio of less than 6%
23 banks with a ratio of less than 5%
7 banks with a ratio of less than 4%

He said: "In short, 86 banks have a capital-asset ratio of 6 per cent or more and 44 banks have less than 6 per cent. These 44 banks have a definite need for additional capital funds."[46]

The Comptroller pointed to a watchful policy in the chartering of new banks in his 1950 report to the bankers convention: 4 new banks in 1947, 4 in 1948, 4 in 1949, and 2 up to March, 1950. "The net increase from 1935 to 1950 was 27 for a total of 130 state banks and trust companies." Probably it will be

deemed advisable at times in the future to charter new banks in areas without banking facilities; or in areas where existing banks cannot cope with population or industrial or commercial growth. However, the Comptroller stated, "I assure you it still is my resolve to prevent, insofar as it lies in my power, an over-banked condition such as existed in Florida 25 years ago."[47]

After 1949, the growth of the state banks was continuous, both in number and in resources. From 125 banks with assets of $552 million in 1949 the year by year growth in number averaged four annually to a total of 145 in 1954. The average annual growth in assets for the same period was at the rate of $85 million, for a total of almost $980 million in June, 1954.[48]

In 1952, Comptroller Gay stated that Florida bankers had set a pattern which presented a safe and sane formula for the distribution of assets. "These are in round figures: cash and its equivalent, 24 per cent; government securities, 46 per cent; other securities, 7 per cent; loans, 22 per cent, and other assets, 1 per cent. Roughly, this may be stated as one-fourth in cash and its equivalent; one-half in government and other prime securities, and one-fourth in loans and other assets."[49]

As for the future of state banking the Comptroller was emphatic in saying: "I have not relinquished and I hereby reaffirm my determination, insofar as my authority goes, to prevent a recurrence of the over-banked condition that once existed in Florida. On the other hand, our increasing population and expanding business activities are entitled to adequate and convenient banking facilities and I recognize my duty to cooperate in the matter of providing them."[50] The recognition of Florida's year by year growth and the need for expanded banking facilities will be recognized in the fifteen state banking charters granted in the period from 1951 to 1954.

In practice in recent years Comptroller Clarence Gay has not granted any charter seeking groups a state bank charter until the group has met all requirements of the Federal Deposit Insurance Corporation for membership in that agency.

NOTES — CHAPTER XI

1. *Final Report of Governor David Sholtz . . . 1937* (Tallahassee, 1937), 10-11.
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3. C. H. Donovan, "A Decade of Federal Expenditures in Florida," *Economic Leaflets*, I (January, 1942).
4. *Ibid.*, see also tables accompanying article.
5. A. J. and K. A. Hanna, *Florida's Golden Sands* (Indianapolis, 1951), 360-366.
6. *Final Report of Sholtz*, 27-28.
7. Patrick, *op. cit.*, 132.
8. James, *DuPont*, 525.
9. *Federal Reserve Bulletin*, June, 1933, 385 *passim.*
10. Marshall R. Diggs, "Rehabilitating the National Banks of This Country," *Proceedings, 1934*, 5-8; D. J. Needham, "The Banking Act of 1935," *Proceedings, 1935*, 10-14.
11. *Federal Reserve Bulletin*, September, 1953, 603, *passim.*
12. *Ibid.*, 561.
13. Chapter 15, 875, *Laws of Florida, 1933*, 43-44.
14. *Comptroller's Report, 1934*, 5.
15. Chapters 15,872; 15,873; 15,874; 15,879; and 15,880; *Laws of Florida, 1933*, 38, *passim.*
16. Chapter 17,716, *Laws of Florida, 1935*, 35-36.
17. Chapter 17,713, *ibid.*, 30-31.
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19. William H. Dial, *History of the Banking Laws of Florida*, (Atlanta, 1954), 15-16.
20. *Comptroller's Report, 1933, 1934;* Marshall R. Diggs, "Rehabilitating the National Banks of this Country," *Proceedings, 1934*, 6.
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22. John T. Campbell, "The President's Message," *Proceedings, 1936*, 5.
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24. *Ibid., 1947*, 5.
25. Marshall R. Diggs, "Rehabilitating the National Banks of This Country," *Ibid., 1934*, 6.
26. J. F. T. O'Connor, "America is Going Forward," *ibid., 1935*, 6.
27. Frank W. Tuttle, "Florida Banks and the Federal Deposit Insurance Corporation," *Economic Leaflets*, July, 1942. Unless otherwise noted deposit insurance statistics are from this article.
28. *Ibid.*
29. *Ibid.*
30. *Ibid.*

31. *Ibid.*

32. Harwood B. Dolbeare, "The Banking Facilities of Florida," *Economic Leaflets*, June, 1942.

33. *Ibid.*

34. *Ibid.*

35. *Ibid.*

36. Diggs, "Rehabilitating the National Banks," *loc. cit.*

37. *Report of the Comptroller of the Currency, 1935.*

38. Lewis, *Florida Banks*, 22-23; annual *Reports of the Comptroller of the Currency*, 1934-1953.

39. Charles T. Taylor, "Deposit Growth at Florida Member Banks," *Monthly Review* of the Federal Reserve Bank of Atlanta for April 1950, 43.

40. *Ibid.*

41. Dolbeare, "Fifty Years of State Banking in Florida," *Proceedings, 1939* 13-14

42. *Ibid.*, 14.

43. Dolbeare, "A Record of Fifty Years of State Banking in Florida," *Comptroller's Report, 1940*, 10.

44. C. M. Gay, "The Banks of Florida Hold Power to Progress," *Proceedings, 1950*, 16.

45. *Ibid.*

46. *Ibid.*

47. *Ibid.*, 23.

48. *Annual Report of the Comptroller, 1954.*

49. *Proceedings, 1952*, 26.

50. *Ibid.*, 27.

Chapter XII

BANKING FACILITIES: 1950 - 1954

In a contemporary account of the banking structure of Florida, the location of banking facilities in relation to economic, geographic, and population factors is necessary. Once facilities of banking are located, it is then possible to analyze the industrial, commercial, agricultural, and other economic enterprise served by the banking institutions available and to further analyze the services rendered to bank customers by these institutions.

The analysis of the banking facilities of a state are usually based on the several counties since the county is the best local unit for which banking statistics can be broken down for comparison. At the time of the most recent census of Florida, the federal census of 1950, there were but three counties of the state without commercial banking facilities: Glades, Liberty, and Wakulla, and this condition has not been changed since that date.[1] These three counties are small in population and rural in settlement with none of the three possessing a city of 2,500 inhabitants. Wakulla County ranked fifty-ninth in population among the counties, while Liberty stood sixty-sixth, and Glades, last or sixty-seventh, in population. These three counties, 4.5 per cent of the state's total, with less than one per cent of the state's population and without any banks stood in contrast to the eight most populous counties: Dade, Polk, Hillsborough, Duval, Pinellas, Palm Beach, Orange, and Escambia with 81 banks or almost forty per cent of all the banks in the state in 1950. By late 1954, the number of banks in the eight large counties, each with a population of more than 100,000, had risen to 100 out of a total of 220—72 national banks and 148 state banks.[2]

TABLE XIX

NUMBER OF COMMERCIAL BANKING OFFICES, POPULATION, AND POPULATION RANK OF FLORIDA COUNTIES, 1950

County	*Number of Banking Offices*	*Population Rank*	*Population*
Wakulla	0	59	5,258
Liberty	0	66	3,182

County	Number of Banking Offices	Population Rank	Population
Glades	0	67	2,199
Washington	1	38	11,888
Union	1	49	8,906
Taylor	1	44	10,416
Santa Rosa	1	29	18,554
Okeechobee	1	63	3,454
Nassau	1	37	12,811
Monroe	1	19	29,957
Martin	1	51	7,807
Lafayette	1	64	3,440
Jefferson	1	45	10,413
Indian River	1	39	11,872
Holmes	1	35	13,988
Hernando	1	53	6,693
Hendry	1	57	6,051
Hardee	1	46	10,073
Hamilton	1	48	8,981
Gilchrist	1	62	3,499
Franklin	1	58	5,814
Flagler	1	65	3,361
Dixie	1	61	3,928
DeSoto	1	47	9,242
Clay	1	33	14,323
Citrus	1	56	6,111
Charlotte	1	60	4,286
Calhoun	1	50	7,922
Bradford	1	40	11,457
Baker	1	55	6,313
Walton	2	32	14,725
Sumter	2	42	11,330
St. Lucie	2	28	20,180
Putnam	2	25	23,615
Pasco	2	27	20,529
Osceola	2	41	11,406
Madison	2	34	14,197
Lee	2	26	23,404
Highlands	2	36	13,636
Gulf	2	52	7,460
Collier	2	54	6,488
Suwannee	3	31	16,986
Seminole	3	22	26,883
Okaloosa	3	21	27,533
Manatee	3	17	34,704
Levy	3	43	10,637
Columbia	3	30	18,216
Brevard	3	24	23,653
Bay	3	13	42,689

County	Number of Banking Offices	Population Rank	Population
St. Johns	4	23	24,998
Sarasota	4	20	28,827
Marion	4	14	38,187
Leon	4	12	51,590
Gadsden	4	15	36,457
Jackson	5	18	34,645
Volusia	6	10	74,229
Escambia	6	8	112,706
Alachua	6	11	57,026
Orange	7	6	114,950
Lake	7	16	36,340
Broward	7	9	83,933
Palm Beach	8	7	114,688
Pinellas	9	4	159,249
Duval	10	2	304,029
Hillsborough	11	3	249,894
Polk	12	5	123,997
Dade	18	1	495,084

Source: *Monetary Policy*, 583.

The eight large counties mentioned, accounted for over 60 per cent of the population in 1950, a figure which has been estimated to be even greater in 1954. In 1950, 27 counties, with a combined population of over 250,000, each served as the geographical location for a single bank. By 1954, the number of counties with only one bank had been reduced by three to twenty-four with the establishment of a second bank in Santa Rosa, Clay, and Citrus Counties. Thus, in 1954 twenty-seven of the state's counties had only one bank or no banks within the county area, and the population of these counties represented less than nine per cent of the state's total. The trend of the figures here cited reveal that the growth of population and the increase of banking facilities have gravitated to the most populous counties of the state.

Under the 1950 census, the four large metropolitan areas of the state: Jacksonville—Duval County; Miami—Dade County; Tampa—St. Petersburg, Hillsborough—Pinellas Counties; and Orlando—Orange County, possessed a high degree of concentration of banking facilities over the state as a total. In 1950, sixty-seven of the state's 205 banks were situated in these counties. By late 1954, eighty-four of the state's 220 banks were located in these four major metropolitan areas.

The rural character of Florida's smaller counties is revealed in comparasions of the distribution of banking offices in the counties of the United States as a whole. In 1951, in the United States about fifteen per cent of the counties had only one banking office whereas the percentage of Florida counties in this category was over forty per cent.[3] The percentage of counties in the United States without banks in 1951 was 2.5; the percentage in Florida, 4.5. In the United States 83 per cent of the counties had more than one banking office in 1951; in Florida this figure was 55 per cent. Comparatively speaking, Florida remains a state with single or no banking offices in a large majority of the counties with only three counties having a second bank opened since 1950.[4]

The same picture that prevailed in Florida counties also prevailed in Florida towns and cities—dominantly one bank localities. From a tabulation made in 1952 of the distribution of banking offices by towns and cities, of 137 places with 203 banks, 106 or 77 per cent had only one banking unit.[5]

In 1951, there were only 9 banks each in both Miami and Tampa, eight in Jacksonville; by late 1954, the number of banks in Miami had grown to 11, and in Jacksonville to 10. In the same period the number of banks in Orlando had gone from 4 to 5, while the number remained at 4 in Gainesville, Pensacola, and Tallahassee. The number in Fort Lauderdale and St. Petersburg grew from 3 to 5 from 1952 to 1954 and remained at 3 in Lake City, Miami Beach, Ocala, Sarasota, and Daytona Beach. The number in Lakeland went from 2 to 3, while there were 2 banks each in Panama City, Hollywood, Coral Gables, Quincy, Mariana, Fort Myers, Bradenton, St. Augustine, West Palm Beach, Clearwater, Winter Haven, Fort Pierce, Sanford, Live Oak, DeLand, and De Funiak Springs. Between 1950 and 1954 a second bank had been opened in Palm Beach, Bartow, Homestead, and Leesburg. In the same years single banks were opened in Largo, South Miami, Keystone Heights, New Port Richey, Crystal River, Riviera Beach, Bal Harbour, and Eau Gallie.[6]

On January 1, 1952 there were 106 towns and cities with one bank, by late 1954 there were 109 towns and cities with one bank. The distribution of banking offices by cities and towns in Florida in 1954 was as follows:

Number of Banks	*Number of Cities*
1	109
2	20
3	6
4	5
5	1
9	1
10	1
11	1
Total	144

Between 1920 and 1950 the number of banking offices in the United States as a whole declined 38 per cent, while the decline of banking offices in Florida was 23 per cent, from 274 to 205. During the same period the population increased in Florida from 970,000 to 2,771,000; by 1954 the population was estimated at well over 3,000,000 and the number of banks had increased to 220. During the 1920-1950 period the increase in population per banking offices was 128 per cent, the increase in Florida for the same period was 273 per cent. In the four years 1950-1954, the chartering and opening of 15 new banking offices has not kept pace with population growth. Based upon the most recent estimates of population, the average number of persons per bank is over 15,000. In 1950 the average number of persons per bank in the United States was 7,946, the average in Florida was 13,519.[7]

Further comparisons revealed that in 1950 the average population of a county with no banks in the United States was 5,544, in Florida 3,546. For counties with one bank in the United States the average population was 8,584 in 1950, in Florida, 9,317. The average of the counties with two banks was almost the same, but the three, four, and five bank counties in Florida showed populations per banking office greater than the average of the nation with the counties possessing four banks standing 172 per cent of the national average of persons per bank. Counties in Florida with 6 to 10 banks possessed an average population per bank about three times the national average while the same was true of the three Florida counties with 11 to 20 banks. Thus, there were about a third as many banks in these counties as similar counties in the rest of the nation.

The figures which denote Florida, in 1950, to have the smallest number of banks of any state in relation to the population were accounted for in the 6-20 bank per counties. The remaining counties follow the general pattern of the nation.

Counties with more than 5 banks in Florida were as follows:[8]

County	Number of Banks 1950	1954
Volusia	6	6
Escambia	6	7
Alachua	6	6
Orange	7	9
Lake	7	8
Broward	7	8
Palm Beach	8	10
Pinellas	9	11
Duval	10	12
Hillsborough	11	12
Polk	12	14
Dade	18	24

Generally speaking the commercial banks of Florida are well distributed through the state with the majority of the counties containing one or two banks. While the number of banks decreased from 328 in 1926 to 143 in 1933, the number had risen to 205 in 1950 and 220 in 1954. While the state experienced a steady growth in population from 1934 to 1954, the growth of banking units did not parallel, and by 1950 Florida possessed the greatest number of people for each bank of any of the states. Further analysis reveals, however, that the greatest growth, both in overall population and population per bank, occurred in the 12 largest counties, and that the figures for these counties create an imbalance that is evident when viewed in the light of the figures from the other counties of the state.

NOTES — CHAPTER XII

1. *Annual Reports of the Comptroller of the Currency;* the *State Comptroller; 1950 Census;* Joint Committee on the Economic Report, *Monetary Policy and the Management of the Public Debt . . . .* (Washington, 1952), 523. The latter report hereinafter cited as *Monetary Policy.*

2. *Report of State Comptroller, 1954; Report of the Comptroller of the Currency,* 1953; *Monthly Review of the Federal Reserve Bank of Atlanta,* January-October, 1954.
3. *Monetary Policy,* 581, 583.
4. *Annual Reports of the Comptroller,* 1951-1954.
5. Federal Deposit Insurance Corporation.
6. *Annual Reports of the Comptroller of the Currency* and of the *State Comptroller.*
7. *Monetary Policy,* 578.
8. *Annual Reports of Comptroller of the Currency* and *State Comptroller,* 1950-1954.

Chapter XIII

CONTEMPORARY DEPOSIT ANALYSIS: 1950-1954

Since the business of banking, insofar as the making of loans and investments is concerned, is determined largely by the deposits, an analysis of the deposit structure is essential to the story of the banks of Florida. On June 30, 1951 the deposits of all banks in the state stood at $2,065,197,000. On June 30, 1954 the deposits of all banks were reported at $2,718,115,000.

An analysis of deposits by counties follows the trend discussed in the previous chapter, the largest percentage of bank deposits being made in the most populous areas. Thus, in 1951 the banks of the 8 counties with 100,000, or more, inhabitants held more than $1,525,000,000 or almost 75 per cent of the total deposits of the state.[1] The eight largest counties contained but 60 per cent of the population of the state, and the concentration of deposits was some 15 per cent greater than that of population.

TABLE XX

DEPOSITS IN INSURED FLORIDA BANKS, BY COUNTIES, JUNE 30, 1951

(in thousands of dollars)

County	*Total Deposits*	*Demand Deposits*	*Time Deposits*
Alachua	$ 22,426	$ 12,821	$ 4,811
Baker	1,028	550	316
Bay	14,840	8,439	1,228
Bradford	2,203	1,247	535
Brevard	14,821	9,289	3,537
Broward	92,785	66,513	16,184
Calhoun	2,174	1,253	301
Charlotte	1,996	1,180	401
Citrus	2,411	1,136	598
Clay	2,748	1,312	514
Collier	3,383	2,379	261
Columbia	5,695	2,912	1,847
Dade	496,481	345,787	81,077
DeSoto	4,012	2,891	619
Dixie	635	301	180
Duval	355,943	170,389	55,843
Escambia	46,181	26,288	7,266

County	Total Deposits	Demand Deposits	Time Deposits
Flagler	2,069	940	866
Franklin	1,499	871	366
Gadsden	5,568	3,101	1,562
Gilchrist	1,066	790	190
Glades	....	....	....
Gulf	2,933	1,832	520
Hamilton	1,245	677	292
Hardee	4,605	2,988	944
Hendry	2,385	1,629	38
Hernando	4,172	1,544	811
Highlands	7,438	5,465	1,085
Hillsborough	180,940	101,712	41,993
Holmes	1,483	797	317
Indian River	7,663	4,668	586
Jackson	8,984	6,256	1,319
Jefferson	2,561	1,454	589
Lafayette	441	207	85
Lake	26,231	18,898	4,054
Lee	18,167	12,599	3,092
Leon	31,061	12,367	5,377
Levy	1,850	1,264	138
Liberty	....	....	....
Madison	3,092	1,839	742
Manatee	23,671	14,127	6,604
Marion	21,835	14,212	5,002
Martin	4,202	2,958	746
Monroe	8,573	4,426	1,583
Nassau	2,969	1,517	997
Okaloosa	4,462	2,711	622
Okeechobee	1,455	952	104
Orange	91,117	66,668	15,172
Osceola	7,045	3,537	1,553
Palm Beach	114,516	71,907	19,391
Pasco	7,060	4,088	2,330
Pinellas	158,035	105,105	30,739
Polk	81,617	57,753	12,510
Putnam	8,377	5,109	1,956
St. Johns	17,872	10,663	4,348
St. Lucie	14,631	10,138	2,406
Santa Rosa	3,845	1,532	736
Sarasota	31,397	22,778	5,310
Seminole	12,452	8,276	2,275
Sumter	2,429	1,601	400
Suwanee	6,766	3,343	2,072
Taylor	2,158	1,251	607
Union	907	522	200
Volusia	45,790	30,798	7,963

County	Total-Deposits	Demand Deposits	Time Deposits
Wakulla	....	....	....
Walton	4,608	2,533	1,409
Washington	1,712	832	240
TOTAL*	$2,065,197	$1,285,929	$367,743

* *Rounded totals.*

Source: Richardson, "Banking in Florida," 33-34.

The 124 banks in the 59 smaller counties, representing 60 per cent of the banks of the state held some 25 per cent of all deposits.

The place of the very large banks in Florida was shown in 1951 by the fact that the eight banks with over $50 million in deposits held more than one-third the total deposits of the state, or more than the other 191 insured banks in the state. These banks, all national banks, and their total deposits were as follows:[2]

First National Bank, Miami	$146,455,000
Atlantic National Bank, Jacksonville	127,770,700
Florida National Bank, Jacksonville	123,686,000
Barnett National Bank, Jacksonville	81,030,000
First National Bank, Tampa	70,422,000
Exchange National Bank, Tampa	63,468,000
Florida National Bank and Trust Company, Miami	60,477,000
Miami Beach First National Bank, Miami Beach	58,040,000

Collectively these eight banks reported deposits of $730 million of the state total of $2,065 million, with the remaining 191 banks reporting deposits of $1,334 million.

The division of deposits into time deposits and demand deposits generally followed the pattern of total deposits in so far as areas were concerned. In 1951, time deposits for the state were 28.6 per cent of demand deposits. In the eight most populous counties, the ratio of time deposits to demand deposits was 27.9 per cent, in the other 59 counties the ratio was 30.5 per cent. For the metropolitan areas the ratio was 28.5, for non-metropolitan, 28.8. The pattern of savings in commercial banks was quite similar throughout the state though there was a wide variance among counties: Flagler County reported a ratio of 92 per cent time to demand deposits; Columbia, 63; while the ratio in Collier dropped to 10.9 and in Hendry to 2.3 per cent.

Using total deposits as a measure, Florida banks are larger than those of the nation as a whole. A presentation of the cumulative percentage distribution of the number of commercial banks by size of total deposits in 1951 showed Florida's rank with the nation to be:

BANKS GROUPED BY DEPOSITS	FLORIDA	UNITED STATES
Under $ 500,000	2.51%	5.9%
Unted $ 1,000,000	10.5 %	20.3%
Unted $ 2,000,000	28.14%	44.1%
Under $ 5,000,000	55.78%	74.3%
Under $10,000,000	74.37%	87.6%
Under $50,000,000	95.98%	97.4%

In Florida only 2.5 per cent of the banks had less than $500,000 in deposits; in the United States 5.9 per cent of the banks had less than $500,000 in deposits.[3] A similar situation existed in the number of banks which had less than a million dollars in deposits. Florida had about 10 per cent of the total number of banks in this classification while the national figure was twice that amount. In the categories up to cumulative deposits of $50 million, a smaller number of Florida banks were found than for the nation as a whole.

As late as 1951 the total deposits of the average insured bank in Florida were $10,377,874 while the total deposits of the average insured bank in the nation were $11,128,087. These two figures, however, do not reflect the fact that there are no large money centers in the peninsula state. A more typical picture of the size of Florida banks is shown if the median bank was selected. The median bank in Florida held deposits of $4,325,000 while the median bank in the country at large held deposits of about $2,000,000. Thus, the median bank in Florida was virtually twice the size of the median bank in the United States.[4]

A survey of the deposits of banks in Florida and other states on the basis of population, made in 1952, noted that per capita deposits were higher in the New England and Eastern states than in all of the Southern states except Texas. The same was true in relation to the states of the Mid-West, although Texas was again an exception. Per capita deposits in the banks of the Southern States were lower than those of any other national region.[5]

TABLE XXII

PER CAPITA DEMAND AND TIME DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS IN ALL ACTIVE BANKS, DECEMBER 31, 1951 [a]

Location	Population (approximate in thousands)	Deposits (in thousands) Total	Demand	Time	Per Capita [b] Total	Demand	Time
Maine	957,000	$ 676,721	$ 238,169	$ 438,522	$ 707	$ 249	$ 458
New Hampshire	567,000	542,129	142,686	399,443	956	252	704
Vermont	397,000	343,618	97,752	245,866	866	246	619
Massachusetts	4,834,000	7,102,290	2,986,030	4,116,260	1,469	618	852
Rhode Island	785,000	997,463	420,246	577,217	1,271	535	735
Connecticut	2,035,000	3,022,747	1,203,717	1,819,030	1,485	592	894
TOTAL NEW ENGLAND STATES	9,575,000	$12,684,968	$ 5,088,600	$ 7,596,368	$1,325	$ 531	$ 793
New York	15,461,000	$37,885,031	$21,779,513	$16,105,518	$2,450	$1,409	$1,042
New Jersey	5,010,000	5,188,053	2,500,496	2,687,557	1,036	499	536
Pennsylvania	10,828,000	10,958,072	6,779,600	4,178,472	1,012	626	386
Delaware	322,000	545,009	380,327	164,682	1,693	1,181	511
Maryland	2,391,000	1,915,334	1,087,017	828,317	801	455	346
District of Columbia	756,000	1,102,896	895,566	207,330	1,459	1,185	274
TOTAL EASTERN STATES	34,768,000	$57,594,395	$33,422,519	$24,171,876	$1,657	$ 961	$ 695

(a) Source: *Comptroller of the Currency, Eighty-Ninth Annual Report, 1951,* (Washington 1952), pp. 178-79.

(b) Figures rounded to nearest dollar.

Location	Population (approximate in thousands)	Deposits (in thousands) Total	Demand	Time	Per Capita [b] Total	Demand	Time
Virginia	3,374,000	$ 1,749,916	$ 1,143,019	$ 606,897	$ 519	$ 339	$ 180
West Virginia	2,095,000	798,151	538,144	260,007	381	257	124
North Carolina	4,281,000	1,578,880	1,222,340	356,540	369	286	83
South Carolina	2,215,000	633,269	545,832	87,437	286	246	39
Georgia	3,625,000	1,498,037	1,182,700	315,337	413	326	87
Florida	2,921,000	1,760,170	1,371,123	389,047	603	469	133
Alabama	3,142,000	1,107,696	842,532	265,164	353	268	84
Mississippi	2,215,000	673,081	539,248	133,833	304	243	60
Louisiana	2,750,000	1,410,767	1,125,681	285,086	513	409	104
Texas	7,882,000	5,955,526	5,348,868	606,658	756	679	77
Arkansas	1,985,000	715,655	613,213	102,442	361	309	52
Kentucky	3,061,000	1,419,733	1,190,612	229,121	46	389	75
Tennessee	3,366,000	1,629,347	1,169,643	459,704	484	347	137
TOTAL SOUTHERN STATES	42,912,000	$20,930,228	$16,832,955	$ 4,097,273	$ 488	$ 392	$ 95
Ohio	7,956,000	$ 7,395,844	$ 4,578,911	$ 2,816,933	$ 930	$ 576	$ 354
Indiana	4,079,000	2,963,427	1,991,267	972,160	727	488	238
Illinois	9,014,000	11,192,708	7,992,849	3,199,859	1,242	887	355
Michigan	6,598,000	5,244,908	2,964,256	2,279,842	795	449	346
Wisconsin	3,625,000	2,903,622	1,635,404	1,268,218	801	451	350
Minnesota	3,122,000	2,558,355	1,533,166	1,025,189	819	491	328
Iowa	2,795,000	1,982,411	1,435,835	546,576	709	514	196
Missouri	4,080,000	3,612,463	2,880,713	731,750	885	706	179
TOTAL MIDDLE WESTERN STATES	41,269,000	$37,852,928	$25,012,401	$12,840,527	$ 917	$ 606	$ 311

Location	Population (approximate in thousands)	Deposits (in thousands) Total	Demand	Time	Per Capita [b] Total	Demand	Time
North Dakota	679,000	$ 465,836	$ 353,879	$ 111,957	$ 686	$ 521	$ 165
South Dakota	726,000	459,218	367,694	91,524	633	506	126
Nebraska	1,410,000	1,157,363	1,007,231	150,132	821	714	106
Kansas	2,014,000	1,374,921	1,191,385	183,536	683	592	91
Montana	654,000	521,765	420,596	101,169	798	643	155
Wyoming	302,000	249,573	197,593	51,980	826	654	172
Colorado	1,421,000	1,097,688	849,671	248,017	772	598	175
New Mexico	765,000	306,285	254,165	52,120	400	332	68
Oklahoma	2,215,000	1,426,219	1,277,725	148,494	644	577	67
TOTAL WESTERN STATES	10,186,000	$ 7,058,868	$ 5,919,939	$ 1,138,929	$ 693	$ 581	$ 112
Washington	2,412,000	$ 2,008,514	$ 1,266,944	$ 741,570	$ 833	$ 525	$ 307
Oregon	1,561,000	1,289,317	863,607	425,710	826	553	273
California	10,780,000	12,930,417	7,216,883	5,713,534	1,199	669	530
Idaho	629,000	398,233	282,306	115,927	633	449	184
Utah	740,000	515,366	325,638	189,728	696	440	256
Nevada	160,000	171,447	106,905	64,542	1,072	668	403
Arizona	801,000	448,350	341,337	107,013	560	426	134
TOTAL PACIFIC STATES	17,083,000	$17,761,644	$10,403,620	$ 7,358,024	$1,040	$ 609	$ 431
TOTAL UNITED STATES	155,793,000	$153,883,031	$96,680,034	$57,202,997	$ 988	$ 621	$ 367

The per capita deposits in the banks of Florida followed Texas in the southern region. Though Florida ranked high in the region, only two states outside the South, Arizona and New Mexico, had lower per capita deposits. The per capita amount of time deposits for Florida stood at $133, a figure that was exceeded in Virginia and Tennessee. While the total deposits and demand deposits held in Texas were greater than those held in Florida, the time deposits per capita in Texas were below the same figure for Florida. With the single exception of the Western States, where per capita deposits were but little greater than in the South, all other regional figures based on population exceeded the averages of the per capita figures in the southern states.

Within Florida, the available statistics reveal a wide variation in per capita deposits in insured banks. As might be expected from previous analysis, the highest per capita deposits were found in Duval County, long considered the financial center of the state. In demand deposits of individuals, partnerships, and corporations, however, Duval County was seventh and in time deposits sixth. The difference, of course, was found in the other deposits of Jacksonville banks: group banks and many other banks of the state maintain deposit balances with the Duval institutions.

TABLE XXIII

PER CAPITA DEPOSITS IN INSURED FLORIDA BANKS, JUNE 30, 1951

County	Per Capita Total Deposits	Per Capita Demand Deposits [b]	Per Capita Time Deposits [b]	Rank in State Per Capita Total Deposits	Rank in State Per Capita Demand Deposits [b]	Rank in State Per Capita Time Deposits [b]
Duval	$1,171	$560	$184	1	7	6
Broward	1,106	792	193	2	1	3
Sarasota	1,089	790	184	3	2	5
Dade	1,004	698	164	4	3	10
Palm Beach	999	627	169	5	5	8
Pinellas	992	660	193	6	4	2
Orange	793	580	132	7	6	14
Lee	776	538	132	8	8	13
St. Lucie	725	502	119	9	10	18
Hillsborough	724	407	168	10	15	9
Lake	722	520	112	11	9	20
St. Johns	715	427	174	12	12	7
Manatee	682	407	190	13	14	4
Polk	658	466	101	14	11	24
Indian River	646	395	49	15	17	45
Brevard	627	393	150	16	18	11
Hernando	623	231	121	17	33	17
Osceola	618	309	136	18	23	12
Volusia	617	415	107	19	13	21
Flagler	614	279	257	20	26	1
Leon	602	240	104	21	31	22
Marion	574	372	131	22	20	15
Highlands	546	401	80	23	16	33
Martin	538	379	96	24	19	27
Collier	521	367	40	25	21	49
Charlotte	466	275	40	26	28	28
Seminole	463	308	85	27	24	30
Hardee	458	297	94	28	25	29
DeSoto	434	313	67	29	22	36
Okeechobee	421	276	30	30	27	56
Escambia	410	233	65	31	32	37
Suwanee	398	197	122	32	39	16
Citrus	395	186	98	33	40	25
Hendry	394	269	6	34	29	64
Alachua	393	225	84	35	35	31
Gulf	393	246	70	36	30	35
Putnam	355	216	83	37	36	32
Bay	348	198	29	38	38	57

County	Per Capita Total Deposits	Per Capita Demand Deposits b	Per Capita Time Deposits b	Rank in State Per Capita Total Deposits	Rank in State Per Capita Demand Deposits b	Rank in State Per Capita Time Deposits b
Pasco	$ 344	$199	$114	39	37	19
Walton	313	172	96	40	42	26
Columbia	313	160	101	41	43	23
Gilchrist	305	226	54	42	34	41
Monroe	286	148	53	43	46	42
Calhoun	274	158	38	44	44	52
Jackson	259	181	38	45	41	51
Franklin	258	150	63	46	45	38
Jefferson	246	140	57	47	48	40
Nassau	232	118	78	48	52	34
Madison	218	130	52	49	49	43
Sumter	214	141	35	50	47	54
Taylor	210	120	58	51	50	39
Santa Rosa	207	83	40	52	58	50
Bradford	192	108	48	53	53	46
Clay	192	92	36	54	55	53
Levy	174	119	13	55	51	63
Baker	193	87	50	56	56	44
Okaloosa	162	98	23	57	54	60
Dixie	162	77	46	58	59	47
Gadsden	153	85	43	59	57	48
Washington	144	70	20	60	61	62
Hamilton	139	75	33	61	60	55
Lafayette	128	60	25	62	62	58
Holmes	106	57	23	63	64	59
Union	102	59	23	64	63	61
State	745	464	133	......	......	......

b Individuals, partnerships and corporations.
Source: Richardson, *op. cit.*, 50-52.

Per capita deposits of over $1,000 were held in the banks of Duval, Broward, Sarasota, and Dade Counties. The extent of the deposits of other banks and the deposits of governmental units in the banks of Duval County is reflected in the figures of total per capita demand and time deposits of individuals, partnerships, and corporations. Thus, per capita demand and time deposits in these categories for Duval were $744; Broward, $985; Sarasota, $974; and Dade, $872. Differences between these

figures and total per capita deposit figures were largely accounted for by inter-bank and governmental deposits.

Per capita deposits of nearly $1,000 were found in both Palm Beach and Pinellas Counties, while those of Orange, Lee, St. Lucie, Hillsborough, Lake, and St. Johns were between $800 and $700. Counties with per capita deposits between $700 and $600 included Manatee, Polk, Indian River, Brevard, Hernando, Osceola, Volusia, Flagler, and Leon.

In summary, the deposit analysis of Florida banks revealed that the concentration of population in several counties of Florida tends to bring a further and greater concentration of deposits in banks of these counties. This was further borne out in the development of the fact that over half of the deposits of the state were in the financial institutions of the large metropolitan areas. There is a wide variation in per capita time and demand deposits in the several counties, however, the larger financial centers of the state do not invariably contain the highest per capita time or per capita demand deposits.[6]

NOTES — CHAPTER XIII

1. Federal Deposit Insurance Corporation, *Assets, Liabilities and Capital Accounts . . . . Report No. 35* (Washington, 1951), 20.
2. *Ibid.*
3. James G. Richardson, "Some Aspects of Commercial Banking in Florida," (Unpublished Master's Thesis, University of Florida, Gainesville, 1954), 47. Hereinafter cited as "Banking in Florida."
4. *Ibid.*, 48.
5. John Ryan, "Bank Capital and Size and Location of Banks," *Journal of Business* (October, 1952).
6. Richardson, "Banking in Florida," 53-55.

Chapter XIV

ASSETS AND CAPITALIZATION OF FLORIDA BANKS: 1950-1954

1. THE ASSETS

The disposition of the deposits of banks has been referred to as the major function of the business of banking. The legislation pertaining to this aspect of banking has been voluminous and detailed. Because of the very nature of the investment of deposits, a large part of bank supervision is concerned with this aspect. From the beginning of national and state bank regulation in the United States, the most rigid control has been exercised over the primary reserves. Both national and state legislation provide specifically for the requirements relating to the primary reserves of readily available money and the amounts of money due a bank from other banks. The legal reserve requirements of national banks and member banks of the Federal Reserve System have been previously detailed.

State banks are required to maintain a cash reserve at all times, this reserve to equal one-fifth of the aggregate amount of their deposits. In meeting this requirement state chartered banks in Florida may use cash on hand, balances due on demand from other banks, and unpledged direct or fully guaranteed securities of the United States.[1] Within recent years the state banks of Florida have generally met this requirement with ease because of their large holdings of unpledged obligations of the federal government. Thus in 1954, 145 state banks and trust companies held direct and guaranteed federal obligations to the extent of almost $435 million out of total assets of almost $980 million.[2] And at the close of 1953, the 66 national banks of Florida held similar obligations to the extent of $702 million out of total assets of $1,826 million.[3]

The legal reserve requirement of state banks in Florida differs from the requirement of members of the Federal Reserve System. Under the latter system only deposits held by the Federal Reserve Bank of the district are classified as legal reserves. The legal reserve balance of state non-member banks may be U. S. Government bonds. The more lenient legal reserve requirements of state banks have been a factor in the issuance of

bank charters granted from January 1, 1943, to late 1954, 48 were state charters and 21 were national charters.[4]

In both federal and state laws, the requirements for legal reserves are based upon a ratio of the deposits. In the analysis and comparison of the reserves of banks the use of the ratio clearly demonstrates the relative differences between assets. In the accompanying table the ratios of selected assets of banks are given for all of the states as of June, 1951. If the same assets were compared with total deposits instead of total assets, the ratios would be larger.

In Florida, in 1951, deposits accounted for 93.5 per cent of the total liabilities in Florida banks. Although legal reserves have been based on deposits, a better view of the distribution of bank assets has been obtained when the major items have been compared with assets rather than deposits. In 1951 cash items in the banks of the several states varied from 14.7 per cent in Vermont to 27.7 per cent in New Mexico, while the ratio for the nation at large was 22.7 per cent.

TABLE XXIV

CERTAIN ASSETS AND TOTAL CAPITAL ACCOUNTS AS PERCENTAGES OF TOTAL ASSETS, OPERATING INSURED COMMERCIAL BANKS, BY STATES, JUNE 30, 1951

Geographic Division and State	Cash and Assets With Other Banks	U. S. Govt. Obligations	Other Securities	Loans	Other Assets	Total Capital Accounts
New England:						
Maine	18.6%	35.4%	8.6%	36.3%	1.1%	9.2%
New Hampshire	21.1	32.2	7.8	38.0	.9	10.3
Vermont	14.7	28.5	9.1	46.7	1.0	10.2
Massachusetts	21.7	33.4	6.7	36.1	2.1	8.3
Rhode Island	16.2	43.0	3.4	35.5	1.9	7.0
Connecticut	21.4	36.8	9.9	30.5	1.4	7.1
Middle Atlantic:						
New York	24.5	30.9	7.0	36.1	1.5	8.3
New Jersey	16.3	41.7	10.6	30.0	1.4	6.8
Pennsylvania	20.4	36.0	10.3	32.0	1.3	9.5

East North Central:						
Ohio	21.4	39.1	8.2	30.2	1.1	6.4
Indiana	21.9	45.2	6.1	26.0	.8	6.0
Illinois	23.1	41.9	8.0	26.2	.8	6.1
Michigan	20.5	42.2	8.1	28.3	.9	5.4
Wisconsin	20.1	42.7	7.6	28.7	.9	6.4
West North Central:						
Minnesota	21.8	33.3	8.5	35.5	.9	6.9
Iowa	20.8	36.9	8.8	32.9	.6	6.7
Missouri	25.0	31.2	5.8	37.2	.8	6.4
North Dakota	17.6	50.7	6.0	25.0	.7	6.4
South Dakota	20.4	42.2	5.9	30.7	.8	6.3
Nebraska	26.0	38.3	7.0	28.1	.6	6.3
Kansas	24.4	35.0	9.6	30.4	.6	6.6
South Atlantic:						
Delaware	17.4	40.8	6.7	34.0	1.1	9.7
Maryland	22.2	42.9	4.7	28.9	1.3	6.8
District of Columbia	24.5	40.0	3.6	30.2	1.7	6.4
Virginia	22.2	33.6	5.3	37.6	1.3	7.7
West Virginia	22.5	42.5	4.7	29.2	1.1	8.4
North Carolina	24.5	26.8	9.8	37.6	1.3	7.4
South Carolina	25.2	35.4	8.8	29.8	.8	6.7
Georgia	26.0	26.5	5.4	40.8	1.3	7.2
Florida	24.2	45.6	6.6	22.3	1.3	6.0
East South Central:						
Kentucky	23.2	37.7	4.8	33.5	.8	7.6
Tennessee	26.0	29.7	7.1	36.0	1.2	6.7
Alabama	25.1	31.8	9.3	32.6	1.2	7.3
Mississippi	24.2	32.3	15.6	26.9	1.0	7.0
West South Central:						
Arkansas	26.6	36.1	9.1	27.5	.7	7.4
Louisiana	26.4	36.9	9.3	26.1	1.3	5.8
Oklahoma	27.7	33.0	8.1	30.3	.9	7.4
Texas	30.1	28.4	5.4	34.8	1.3	6.5
Mountain:						
Montana	24.4	42.3	5.5	26.9	.9	5.0
Idaho	19.6	36.3	2.9	40.3	.9	5.7
Wyoming	25.4	37.2	5.2	31.3	.9	6.3
Colorado	35.7	39.4	3.8	30.4	.7	6.3
New Mexico	27.7	33.4	3.5	34.3	1.1	6.0
Arizona	17.7	32.4	8.0	40.1	1.8	5.7
Utah	23.3	32.3	4.2	39.3	.9	6.4
Nevada	18.2	41.4	5.5	33.4	1.5	6.0
Pacific:						
Washington	23.9	29.8	10.0	35.1	1.2	6.0
Oregon	20.3	31.9	8.5	37.8	1.5	6.2
California	18.0	31.7	7.9	40.9	1.5	6.1
United States	22.7%	35.2%	7.6%	33.3%	1.2%	7.1%

Source: Federal Deposit Insurance Corporation, *Report No. 35.*

As can be seen, Florida banks were above the national ratio with cash standing at a ratio to assets of 24.2 per cent.

An interesting aspect, in regard to primary reserves held in the banks of Florida by counties, was found in Duval County with deposits of $365 million and Dade County with deposits of $497 million. But the primary reserves of the Duval County banks were larger than those of the Dade County banks. The larger reserves of Duval County were a result of Jacksonville's status as a reserve city in which member banks of the state carried larger balances with the Federal Reserve than Miami banks and the "other deposits" which were mainly inter-bank and governmental deposits. Since such deposits are likely to be volatile, banks holding a high percentage of them usually maintain a higher primary reserve than banks not having a large proportion of these deposits.

The assets over which bank officials have more freedom than primary reserves tend to indicate the character of Florida's contemporary banking practices. Securities of the federal government have been for some years, the most important assets of Florida banks. The percentage of United States obligations in Florida banks was 45.6 per cent in 1951, and was exceeded only by the 50.7 ratio of such securities held in North Dakota banks.[5] On June 30, 1954, Florida banks held a total of $1,209 million of federal securities, which was approximately 41.4 per cent of total assets. This decline, although not great, is the continuation of a downward trend that has been in evidence for several years. The lowest ratio of federal securities held by banks in states was that of Georgia, 26.5. As previously noted, in another connection, the 1953 holdings of federal securities by Florida's national banks was $702 million of total assets of $1,826 million and the June, 1954, holdings of federal securities by state banks was $435 million of total assets of $980 million, and thus the 1953-54 ratio approximates that of 1951.[6]

The percentage of federal securities held by Florida banks in 1951 was more than twice that of the total loan accounts, a situation that was not generally true in other states, the ratio of federal securities to loans being the highest of any state. By mid-1954 the ratio of loans to federal securities in all banks in the state had increased from less than 50 per cent in 1951 to almost 60 per cent. In 1954, banks in only two states, North

Dakota and Indiana, held a larger proportion of United States bonds to total assets than did Florida banks. One reason that has been advanced for the high ratio of federal securities found in the assets of Florida banks has been the seasonal fluctuation in deposits in many sections of the state. The inflow of tourists and the marketing of winter citrus and vegetable crops have had marked effects upon the flow of money in the state. "A glance at the monthly data . . . shows how this transfer of funds builds up deposits each year. In the post-war period, the seasonal expansion of deposits has begun in October. After that, as increasing numbers of winter visitors come into the state, deposits grow from month to month until by the end of April, they are generally about 11 per cent greater than at the end of the preceding October. Although the number of summer visitors has tended to increase, deposits decline after April until the winter visitors return."[7] Thus, a large volume of deposits in Florida banks have not been stable, and the institutions have dispersed their assets in order to be able to convert them into primary reserves quickly, and the short term federal obligations have been the answer to this problem. With the recent development of year-round tourism, especially in the lower East Coast, and the establishment of industries there has been a leveling off process in the seasonal fluctuation of bank deposits.

The ratio of federal securities to total assets differs considerably among Florida banks. Within the state, in 1951, the ratio varied from 79.1 per cent in the Farmers Bank of Pompano to 10.7 per cent in the Bank of Fort Walton. The ratio for the median Florida bank was 46.6, with 104 banks having a ratio above the state average of 45.6 and 98 banks having a ratio of less than the state-wide average. It is obvious from the fact that the ratio in the median bank was so close to the state average that there was no distortion of the state ratio by the holdings of just a few large banks.

Mention has been made of the variance in the ratio of federal securities to assets, from a high of almost 80 per cent to a low of almost 10 per cent by the banks of the state. There has been no general pattern, however, between the investment policy of the larger city banks and the smaller rural banks. Major differences did exist, however, in the investment policies of the eight largest banks in 1951 as follows:[8]

BANK (in thousands of dollas)	Federal Securities to Assets	Loans to Assets
First National Bank, Miami	57.9%	16.8%
Atlantic National Bank, Jacksonville	25.7%	25.6%
Florida National Bank, Jacksonville	28.9%	28.5%
Barnett National Bank, Jacksonville	36.8%	27.5%
First National Bank, Tampa	42.4%	19.0%
Exchange National Bank, Tampa	46.1%	20.7%
Florida National Bank, Miami	44.3%	18.5%
Miami Beach First National Bank, Miami Beach	61.8%	13.7%

The three Jacksonville banks, each a control bank in a group of banks, also served as a correspondent for other banks in the state. The large Jacksonville banks held a much smaller percentage of federal securities than did the five large banks of the Tampa and Miami districts. Thus, the Jacksonville large banks have maintained a higher ratio of primary reserves as reserve city banks and as bankers for many country banks in the state.

The third major item of the assets of Florida banks, loans and discounts, form a smaller percentage of total assets than is the case in other states. As of June 30, 1954, the loans and discounts of Florida's banks were $751 million out of total assets of $2,923 million.[9] The recent ratio of loans to assets is somewhat higher than the same ratio in 1951; Florida banks have 25.7 per cent of their assets in loans. While this ratio has shown a recent upward trend, Florida banks in 1954 still had a smaller proportion of assets in loans than the banks of any other state. Georgia and California banks, for example, had almost 41 per cent of their assets in loans.

Total bank loans in Florida were below those of 24 states; several of the southern states exceeded Florida in the volume of bank loans, although all of the mountain states had a smaller volume than the peninsula state. The eight largest banks of the state held 35 per cent of the total bank loans, an amount exceeding $173 million. This compares favorably with the same percentage of deposits held by the 8 banks. Principal items of assets of these banks were, in 1951, as follows:

BANK (in thousands of dollars)	Federal Securities	Loans	State and Local Obligations
First National Bank, Miami	$ 90,226	$ 26,127	$ 7,572
Atlantic National Bank, Jacksonville	35,015	34,991	9,334
Florida National Bank, Jacksonville	39,104	38,609	8,001
Barnett National Bank, Jacksonville	32,255	24,104	562
First National Bank, Tampa	31,959	14,258	5,570
Exchange National Bank, Tampa	30,971	13,903	5,056
Florida National Bank, Miami	30,212	12,604	3,790
Miami Beach First National Bank, Miami Beach	38,515	8,561	1,060
TOTAL	$328,156	$173,157	$40,945

There was approximately the same degree of concentration both in deposits and loans in these banks. There was also about the same proportion of United States bonds, and of other obligations of states and subdivisions. Of these two classes of securities, the eight banks held 32 .6 per cent and 33.4 per cent, respectively, of the amounts held by all banks in the state.

On December 31, 1953, the national banks of Florida had total loans and discounts of $453,192,000; on June 30, 1954, the state banks of Florida had loans and discounts of $258,745,000.[10] The total loans and discounts of all Florida banks in 1954 were well over $750 million. This was an increase of over $250 million in loans of Florida banks since June, 1951, when the figure stood at $495,885,000. Of the latter figure 39 per cent, or $192,-600,000, were commercial and industrial loans.[11] Real estate loans, in 1951, amounted to approximately $112 million and loans to individuals $141 million, which were 22.6 per cent and 28.6 per cent, respectively, of total loans. The same ratios for all banks in the nation were: commercial and industrial loans, 37.1 per cent; agricultural loans, 4.9 per cent; real estate loans, 36.5 per cent; and loans to individuals, 16.4 per cent. "There was a wide variation in types of loans held in the several states. California bank portfolios held 46.1 per cent real estate loans, while Nevada banks held 53 per cent. Illinois banks held 57.4 per cent commercial and industrial loans while agriculture loans in Iowa banks were 31 per cent of total loans."[12] While the dollar volume of loans has increased in recent years, the proportion of types of loans held has not changed materially since 1951.

In 1951, Florida banks possessed the lowest ratio of loans to total assets of the several states and likewise the holdings of Florida banks in the categories of commercial and industrial and agricultural loans were smaller, percentage wise, than similar holdings in other states. Within the state, as might be expected, the variations in the per cent of loans to assets were quite wide, ranging from 3.8 per cent to 45.6 per cent. The median bank, however, possessed a ratio of 22.3 per cent loans to assets. This was the same as the state average so that the lending policies of several banks did not affect the state average.

The fourth major item of the assets of Florida banks is found in the category of the obligations of states and the political subdivisions of states. Although the debt of state agencies, counties, cities, and districts have been high since the turn of the century the holdings of Florida banks in these areas has not been unusual. In mid-year, 1954, Florida banks reported holdings of state and local government obligations totaling $180 million; an increase of $58 million over 1951.[13] This was 6.2 per cent of their total assets.

Within Florida, in 1951, the amount of tax exempt securities varied from a ratio of 30.9 in one bank to zero in 28 banks. The banks with the largest holdings were in predominantly agricultural counties. The median bank had 3.9 per cent of total assets in these obligations while 55 banks held one per cent or less. The 8 largest banks held from six-tenths of a per cent in the Barnett National Bank of Jacksonville to 7.5 per cent in the Exchange National Bank of Tampa, with the average holdings for these banks near 5 per cent in the tax exempt securities.

2. THE CAPITAL ACCOUNTS

On June 30, 1954, the capital accounts of all insured Florida banks amounted to $184,309,000.[14] The capital accounts of the national banks in Florida were 6.3 per cent of total assets in 1954; the capital accounts of the state banks in Florida were almost 6.0 per cent of the total assets in the same year.[15] Several states had lower capital ratios than did Florida banks and for all banks in the nation, on the average, capital accounts amounted to 7.3 per cent of total assets.[16]

By counties in 1951, Dade, Duval, Hillsborough, Palm Beach, and Pinellas had the largest amounts of bank capital, respectively. Three counties, Lafayette, Dixie, and Union, each contained banks where there was less than $100,000 in bank equity. The Florida National Bank of Jacksonville had a total capital of over $10 million, the largest in the state. The Florida National Bank was followed by the Atlantic National Bank of Jacksonville and the First National Bank of Miami.[17]

The ratios of capital accounts in 1951 to total assets by banks within the state were from a high of 19.5 per cent to a low of 2.3 per cent. The median bank in the state had a capital ratio of 6 per cent, similar to the state average. The capital ratio of over a third of the banks of the state was 7.1 per cent or higher. These banks, however, held less than 20 per cent of the total capital accounts of the banks of the state. The capital accounts ratios for the largest banks were as follows: Florida National Bank, Miami, 10.6; Florida National Bank, Jacksonville, 8.1; Atlantic National Bank, Jacksonville, 6.5; Barnett National Bank, Jacksonville, 6.5; Miami Beach First National Bank, Miami Beach, 6.5; First National Bank, Tampa, 5.6; First National Bank, Miami, 5.5; and Exchange National Bank, Tampa, 5.4.[18] Five of the large banks had capital account ratios above the state average, and the three banks which were below the state average had a smaller ratio of loans to assets than the state average of 22.3 per cent.

The insured banks in Florida had an average of 374 per cent of their capital accounts in loans in 1951. Among the largest banks in the state, the Barnett National Bank of Jacksonville had the most loans per dollar capital where the figure was $4.21 for each dollar in capital. "These figures were all below the national figure of 473.5 per cent in 1951. The same table shows that the ratio of loans to capital was lower in Florida than in six other selected states. These states including neighboring Alabama and Georgia; rapidly growing California and Texas; and heavily industrialized Massachusetts and New York. Of these six states, California had a ratio of 681.8, or almost twice as many loans per dollar of bank capital as Florida banks."[19]

At one end of the scale, three Florida banks had a smaller amount of loans than of capital accounts. Thus, three banks had 92.8, 88.0, and 45.1 per cent, respectively, of their total capital in

loans. In each case a large part of the total resources was in capital. At the other end of the scale, 11 banks had a ratio, of loans to capital accounts, of over 700 per cent; and one bank had more than 10 times its capital in loans.

TABLE XXV

RATIO OF LOANS AND OF OBLIGATIONS OF STATES AND SUBDIVISIONS TO TOTAL CAPITAL ACCOUNTS IN INSURED COMMERCIAL BANKS, IN SELECTED STATES, JUNE 30, 1951 *

STATE	Loans to Total Capital Accounts	Obligations of States and Subdivisions to Total Capital Accounts
Florida	374.0%	92.1%
Georgia	575.6%	60.1%
Alabama	454.4%	105.1%
Massachusetts	445.1%	50.1%
New York	440.8%	52.9%
Texas	542.0%	64.6%
California	681.8%	89.2%
UNITED STATES AVERAGE	473.5%	71.7%

* Source: Derived from Federal Deposit Insurance Corporation, *Report No. 35.*

In a recent study, a comparison was made of the risk asset ratio of Florida banks and all banks in the United States.[20] This ratio was a measurement of the relation between total capital accounts to total assets, excluding federal obligations or cash. "In June, 1951, the average risk asset ratio for Florida banks was 19.9 per cent. This compares with a national figure of 16.9 per cent . . . the Florida ratio was not only well above the national average, but also above the ratios of Alabama, Georgia, California, Texas, New York, and Massachusetts. . . ."[21]

The high risk asset ratio of Florida banks in 1951 was tempered, however, by the report of the Federal Deposit Insurance Corporation that $10.33 of assets per $100 of capital accounts were substandard.[22] Over $14 million of the assets of Florida banks were so classified. The classification of substandard assets by states found nine states with a higher percentage of such assets than Florida. The national ratio of substandard assets per $100 of capital for the banks of the nation was $5.31.

A final measurement of the capitalization of banks is found in the per capita amount of capital. Bank capital per person in the United States in 1951 amounted to $77; for Florida the bank capital per person was $48. As would be expected New York State reported the highest rate with approximately $200 per person. By counties, Duval County exceeded the national figure, while the per capita rate was over $60 in Dade, Palm Beach, and Sarasota Counties, and the rate in the median county was $28 per person invested in bank capital.

NOTES — CHAPTER XIV

1. *Florida Statutes, 1953,* 659.16.
2. *Report of the Comptroller, 1954,* 4.
3. *Report of the Comptroller of the Currency, 1953,* 64.
4. *Ibid., Annual Reports of the State Comptroller, 1943-1954; Monthly Review* of the Federal Reserve Bank of Atlanta, 1953-1954.
5. F.D.I.C., *Report No. 35,* 12 *passim.*
6. *Report of the Comptroller of the Currency, 1953; Report of the State Comptroller, 1954.*
7. Charles T. Taylor, "Deposit Growth at Florida Member Banks," *Monthly Review* of the Federal Reserve Bank of Atlanta, April, 1950, 42.
8. Richardson, "Banking in Florida," 65.
9. F.D.I.C. *Report No. 41.*
10. *Ibid.*
11. Richardson, "Banking in Florida," 68.
12. *Ibid.*
13. F.D.I.C. *Report No. 41.*
14. *Ibid.*
15. *Ibid.*
16. *Ibid.*
17. Richardson, "Banking in Florida," 73.
18. *Ibid.,* 77.
19. *Ibid.,* 79.
20. *Ibid.,* 82-84.
21. *Ibid.,* 82.
22. F.D.I.C., *Annual Report, 1951,* 158-159.

Chapter XV

GROUP BANKING: 1925 - 1954

1. POSITION OF GROUP BANKING

An important segment of Florida banking in the last twenty-five years has been conducted through organizations which have generally been referred to as "group banks." The 1953 Florida Banking Code makes no reference to the group type of bank organization. But the Code does state that "Any bank or trust company shall only have one place of doing business, which shall be located in the community specified in its original articles of incorporation, and the business of the bank or trust company shall be transacted at its banking house so located in said community specified, and not elsewhere."[1]

By virtue of present federal legislation, Banking Acts of 1927 and 1933, national banks are limited to the same branch powers as state banks and trust companies operating in any particular state.[2] Thus, while there have been state limitations upon a single banking corporate entity that might establish or acquire additional banking offices, no broad restrictions have been placed upon an individual, corporation, trust, or group of persons gaining control or establishing of more than one banking unit. Federal legislation, however, has imposed some restrictions upon national banks which limit activities of national banks in this area. Florida legislation does require that the State Comptroller must approve the change of control of ownership of state banks, which power may tend to limit the growth of group banking among state banks already established.[3]

By way of explanation, a branch banking system is said to exist when a single banking corporation operates more than one banking office. A group banking system exists when a corporation trust or association controls three or more separate banking corporations. Chain banking differs from group banking since in chain banking the control of the banking units is vested in a single or several individuals. Group and chain banking often times develop when there are legal obstacles which tend to prevent the growth of a branch banking system. Thus, some advantages of

branch banking may be achieved through the establishment of group banking or chain banking systems.[4]

2. THE ATLANTIC NATIONAL GROUP

Some mention has been made of the beginnings of group banking in Chapter X. By way of recapitulation, the Atlantic National group of banks began with the consolidation of the National Bank of the State of Florida into the Atlantic National Bank of Jacksonville. The new bank, under the leadership of Edward W. Lane and Fred W. Hoyt, opened its doors on August 1, 1903.[5]

The Atlantic National Bank was the seventh bank in Jacksonville at the time of its establishment. Under the presidency of E. W. Lane the bank opened the first savings department in a Florida bank and one of the first in a national bank in the United States.[6] In 1913, at the end of ten years the total deposits passed five million dollars. In the same year the Atlantic National absorbed the Fourth National Bank of Jacksonville and the following year absorbed the State Bank of Florida at Jacksonville. By 1923 the deposits of the Atlantic National were almost one and a half times larger than the combined deposits of all Florida banks and trust companies in 1903.

In 1923, the Atlantic National Bank acquired control of the American Trust Company of Jacksonville and at the same time organized the Atlantic Trust Company as a trust and holding company whose stock was placed in trust for the bank's shareholders on a pro rata basis.[7] With the growth of the Jacksonville area in the 1920's and the development of a need for banking facilities in newer districts of the city, the first affiliate, the Fairfield Atlantic Bank was opened in 1925. This affiliate was created as a subsdiary of the Atlantic Trust Company, as were the other Atlantic affiliates.

By 1928, the Atlantic National group included the original bank, the Springfield Atlantic Bank, the Riverside Atlantic Bank, the Fairfield Atlantic Bank, and the Sanford Atlantic National Bank of Sanford. The controlling interest of the four affiliates was held by the Atlantic Trust Company, and with the exception

of the Sanford bank, the president of each was an active senior officer of the Atlantic National.

During the late 1920's the Riverside and Fairfield affiliates were merged with the Atlantic National Bank. In the same years, however, new affiliates were opened or acquired in central and southern Florida: the First National Bank of Gainesville, the Palatka Atlantic National Bank of Palatka, the First Atlantic National Bank of Daytona Beach, and the Atlantic National Bank of West Palm Beach. "E. W. Lane took a particular interest in the latter institution, foreseeing for it a bright future, and served as its president."[8]

Edward W. Lane directed the affairs of the Atlantic National group for almost forty years, until his death in 1942. J. W. Shands, a director and general counsel to the bank, was elected to the presidency of the Atlantic National and has continued in that office to the present time. J. T. Lane and E. W. Lane, Jr., sons of the founder, serve as directors while J. T. Lane serves also as chairman of the board of directors. The total resources of the Atlantic National Bank, from 1903 to 1954 best portray the story of the "First Fifty Years" of this institution:[9]

1903	$ 1,046,403
1913	5,150,491
1923	24,875,983
1933	28,506,982
1943	112,526,119
1954	166,543,531

The growth of the affiliates of the Atlantic National Bank of Jacksonville is recorded in their consolidated deposits, as follows:

1933	$ 9,552,647
1943	41,696,568
1954	74,468,000

SELECTED ASSETS AND LIABILITIES: ATLANTIC NATIONAL GROUP: JUNE 30, 1954

(in thousands of dollars) [10]

	Deposits	*U. S. Bonds*	*Other Bonds*	*Loans*	*Capital Accounts*
Atlantic National Bank, Jacksonville	$154,352	$43,810	$17,117	$44,738	$ 8,945
First Atlantic Bank, Daytona Beach	14,833	5,511	881	5,926	857
First National Bank, Gainesville	11,887	6,265	447	2,977	803
Atlantic National Bank, Palatka	7,734	4,088	636	1,734	467
Atlantic National Bank, Sanford	7,187	3,227	388	2,355	406
Atlantic National Bank, West Palm Beach	31,531	15,795	1,415	9,350	1,869
Atlantic National Bank, Springfield	11,297	5,178	742	3,879	518
TOTAL	$238,821	$83,874	$21,626	$70,959	$13,865

3. THE FLORIDA NATIONAL GROUP

The largest group of bank affiliates in Florida began in the fall of 1927 when the Alfred I. duPont interests acquired control of the Florida National Bank of Jacksonville. Alfred I. duPont had served as the active operating head of the duPont industrial enterprises from 1902 to 1916. In 1926, he moved his residence to Florida and devoted the last ten years of his life to the organization of the Florida National group of banks, development of the paper and pulp industry and other Florida enterprises.[11]

"DuPont became an enthusiastic Floridian and planned his investments and organization to enable his estate to carry on as a going concern for the further development of Florida. In accordance with the plans and policies specified in his will, the net proceeds from the operation of his estate above specified bequests goes to the Nemours Foundation, a charitable trust for the aid of crippled children and old couples."[12]

Reference has been made in an earlier chapter to the part played by duPont and the Florida National Bank in assisting in the stabilization of the banking situation of the state after 1926. The addition of affiliates to the Florida National group began with the opening of the Florida National Bank at Lakeland on September 4, 1929, and the Florida National Bank of Bartow on November 18, 1929. These were followed in 1930 with the Florida Bank at Orlando in March, the Florida Bank and Trust Company at Daytona Beach in May, and the Florida National Bank at St. Petersburg in October.[13] The following year the Florida National Bank and Trust Company was opened at Miami in August.

By 1954, the Florida National group was composed of the Jacksonville bank and twenty-two affiliates located in Florida cities from Pensacola to Key West. In 1952 the deposits of the twenty-three banks exceeded $430,000,000, a greater amount than that of any other banking group east of the Mississippi River and south of Philadelphia, Pennsylvania.[14]

Edward Ball of Jacksonville, one of the trustees of the Alfred I. duPont Estate, was associated with duPont before the latter moved to Florida. Ball, duPont's brother-in-law, was an active participant with duPont in the organization of the group. Ball continues an active part in the group organization and is a member of the board of directors of the Jacksonville, Miami, and Orlando banks.[15]

While the banks of the Florida National group are closely affiliated with the Jacksonville institution, "a substantial part of the stock of each bank is owned by the people of the respective local community and progressive forward-looking local citizens are members of their boards of directors, thereby each local community has a voice in the operating policies of these banks."[16]

The growth of the Florida National group is refelcted in a statement of the capital, surplus and undivided profits through the years:

1934	$ 3,670,000
1944	13,415,000
1954	31,974,000

SELECTED ASSETS AND LIABILITIES: FLORIDA NATIONAL GROUP: JUNE 30, 1954

(in thousands of dollars)[17]

	Deposits	U. S. Bonds	Other Bonds (Government)	Loans	Capital Accounts
Florida National Bank, Jacksonville	$155,994	$ 53,346	$ 8,019	$ 44,054	$10,649
Florida National Bank & Trust Co., Miami	72,781	30,710	3,524	18,073	7,463
Florida National Bank, St. Petersburg	41,259	28,854	1,851	8,394	2,335
Florida National Bank, Orlando	24,320	14,161	1,079	6,957	1,837
Florida National Bank, Pensacola	23,351	10,757	1,079	7,550	1,746
Florida Bank & Trust Co., West Palm Beach	17,023	8,407	678	5,467	974
Florida National Bank, Coral Gables	16,597	8,937	798	2,856	523
Florida National Bank, Lakeland	14,396	8,522	673	3,168	910
Florida Bank & Trust Co., Daytona Beach	14,112	9,360	688	3,060	924
Florida National Bank, Bartow	13,666	8,244	536	2,044	623
Florida National Bank, Key West	13,097	8,494	437	1,605	717
Florida National Bank, Gainesville	7,327	3,624	336	2,231	649
Florida National Bank, Ocala	5,780	2,909	280	1,749	474
Florida National Bank, Fernandina Beach	4,305	2,275	139	1,395	403
Florida Bank, Fort Pierce	4,201	2,523	248	986	212
Florida Bank, DeLand	3,555	1,974	115	1,138	163
Florida National Bank, Perry	3,310	1,650	68	696	215
Florida Bank, Starke	2,846	1,887	219	628	274

Florida National Bank Belle Glade	2,640	1,159	183	618	216
Florida Bank Madison	2,494	1,508	120	726	204
Florida Bank Port St. Joe	2,050	997	157	567	174
Florida Bank Chipley	1,996	1,335	158	462	189
Florida Bank Bushnell	1,256	457	271	269	86
TOTAL	$448,266	$207,111	$21,667	$114,704	$31,974

4. THE BARNETT NATIONAL GROUP

The early history of the Barnett National Bank of Jacksonville has been related in earlier chapters. It will be remembered that this bank was founded as the Bank of Jacksonville in May, 1877, by William B. Barnett and that his son, Bion H. Barnett, served as one of two clerks. By 1880 the deposits of the bank were but $144,000; by 1900 the deposits had climbed to $1,780,000; 1920, $11,351,000; 1940, $31,205,000; 1950, $81,878,000; and in June, 1954, $104,402,000.[18]

On the death of W. B. Barnett in 1903, Bion H. Barnett succeeded his father as president of the bank. In 1888 the Bank of Jacksonville received a national charter and operated as the National Bank of Jacksonville until 1908, when the bank took its present name in honor of the founder.[19] B. H. Barnett was named honorary chairman of the board of directors in 1952, at which time William R. McQuaid became active chairman of the board.

As the second oldest bank in Florida, and the oldest national bank in the state, the Barnett National Bank has a distinguished record of uninterrupted service. In the course of seventy-seven years B. H. Barnett wrote that "the bank has passed through two yellow fever epidemics, a disastrous state-wide freeze, the great Jacksonville fire of 1901, three wars (the Spanish-American and two world wars), four financial panics, and a nation-wide bank moratorium. Now the bank . . . looks forward to continued opportunity to give service to the state and community which have grown with it and helped it grow."[20]

After the collapse of the Florida land boom in 1926 and the failure of more than half of the banks in the state many commu-

nities were left without banking facilities. On the request of residents of the DeLand and Cocoa areas the Barnett National Bank organized the Barnett National Bank of DeLand in October, 1929, and the Barnett National Bank of Cocoa in November, 1929.[21] The following year, in February, 1930, "at the request of the Consolidated Naval Stores Company, who owned very large holdings of lands and timber, we organized the bank at Avon Park where all the existing banks had failed."[22] In the same year the St. Augustine National Bank expanded the capital stock of the bank and the Barnett National was asked to participate and bought the additional stock that was authorized to be sold.

In January, 1930, the Barnett National Securities Corporation was formed, with a capital of $500,000, to serve as a holding company for the bank stocks of the Barnett affiliates.[23] The Barnett group, while not the largest in Florida, enjoys the position and consequent prestige of being affiliated with the oldest national bank in the state and one of the oldest institutions in the entire southeast.

On June 30, 1954, the banks of the Barnett group reported as follows:

SELECTED ASSETS AND LIABILITIES: BARNETT NATIONAL GROUP: JUNE 30, 1954

(in thousands of dollars) [28]

	Deposits	*U. S. Bonds*	*Other Bonds*	*Loans*	*Capital Accounts*
Barnett National Bank Jacksonville	$104,402	$42,699	$1,593	$29,757	$6,519
Barnett National Bank DeLand	8,272	5,553	260	1,445	534
Barnett National Bank Cocoa	9,247	5,626	390	1,482	403
Barnett Bank Avon Park	3,446	2,608	81	645	256
St. Augustine National Bank	11,481	6,011	794	2,993	740
TOTAL	$136,848	$62,497	$3,118	$36,322	$8,452

5. THE McNULTY GROUP OF BANKS

The fourth group of banks in Florida in regard to date of establishment is largely the result of the work of an individual: Chester H. McNulty of Melbourne. The group was begun with the organization of the Bank of Melbourne in the spring of 1934 with McNulty as principal stockholder. Early in 1936 he acquired substantial interest in the Bank of New Smyrna. Although this bank is no longer a member of the group, McNulty continues to serve as one of its directors.[25] In 1938 McNulty bought out the bank at Kissimmee, now the First National Bank of Kissimmee.[26] Beginning in 1942, and continuing into 1953, the Melbourne banker acquired the following banks in succession: Florida State Bank of Sanford, Okeechobee County Bank of Okeechobee, Punta Gorda State Bank, Bank of Zephyrhills, Bank of Lake Alfred, Bank of Mulberry, State Bank of Haines City, and First State Bank of Fort Meade.

The growth of the McNulty banks is best recorded in the increasing deposits in the Bank of Melbourne from 1934 to 1954. At the end of the year, in 1934, the deposits of the bank were \$251,311; by June 30, 1954, the deposits were \$13,626,672. The growth of the group, as represented by deposits in 1936, to \$44,200,000 in 1954. The accent of the McNulty group has been on service to more than 40,000 customers in ten central Florida communities. The members of the group have transacted more than 50,000 loans, including over 10,000 personal loans, and more than 5,000 home mortgages.[27]

In the strict sense of the word the McNulty group of banks is rather a chain of banks since the founder has a direct controlling interest in the banks. The title, "McNulty group," however, conforms to local usage by both the founder and the banks.

SELECTED ASSETS AND LIABILITIES: McNULTY GROUP: JUNE 30, 1954

(in thousands of dallars) [28]

	Deposits	U. S. Bonds	Other Bonds	Loans	Capital Accounts and Reserves
Bank of Melbourne and Trust Co.	$13,627	$ 5,121	$ 636	$ 3,055	$ 836
Florida State Bank, Sanford	7,245	3,371	343	1,597	345
State Bank of Haines City	4,764	1,806	400	1,278	293
First National Bank, Kissimmee	3,950	1,440	773	1,282	412
Bank of Zephyrhills	3,084	1,106	370	1,012	155
Bank of Mulberry	2,893	907	343	1,014	246
Punta Gorda State Bank	2,485	816	307	880	212
First State Bank, Fort Meade	2,344	787	223	827	194
Bank of Lake Alfred	2,004	543	209	635	134
Okeechobee County Bank, Okeechobee	1,805	475	149	643	193
TOTAL	$44,206	$16,377	$3,756	$12,227	$3,024

6. THE FIRST NATIONAL GROUP OF SOUTHEAST FLORIDA

The history of the First National Group of Southeast Florida begins in March, 1937, at which time control of The First National Bank in Palm Beach was purchased by Wiley R. Reynolds, Sr., a retired industrialist from Michigan.[29]

Reynolds was a banker of some experience as his father had been organizer and president of the Peoples National Bank of Jackson, Michigan, in 1875. Wiley Reynolds had entered the service of the Peoples National in 1898 and was Vice-President when he resigned in 1902.[30] A man of great energy and possessed of many advanced ideas in the realm of public relations, Reynolds incorporated a number of original innovations into the operation of the Palm Beach bank.

The First National in Palm Beach received nation-wide publicity when *Fortune* magazine devoted an article to Wiley Rey-

nolds' activities in Florida banking in January, 1941. The author of the article concluded that Reynolds created "his profits through savings just as he earned them through smart merchandising."[31]

Reynolds' purchase of The First National Bank in Palm Beach was the first step in a series of banking ventures which brought under joint control seven other banks in Florida's lower East Coast. The First National Bank of Lake Worth was purchased in 1938 and in 1943 control of the American Bank and Trust Company of Miami was acquired. The name of this bank was later changed to the American National Bank.[32] In January, 1946, Reynolds acquired The First National Bank of Fort Lauderdale.

April 1, 1946, was an important day in the history of the Reynolds banking interests. On that day, four other institutions were added to the growing group, the most important of which was the First National Bank of Miami. Control of The First National of Miami also carried control of three affiliates: The Coral Gables First National Bank, Little River Bank and Trust Company and The First Trust Company, all of which were controlled through a wholly-owned subsidiary. The holding company was liquidated in October, 1947, and shares of the three institutions were distributed to the shareholders of the parent First National Bank of Miami.

The First National, Miami's oldest bank, was founded in 1902 by a group headed by Edward C. Romfh. Young Romfh moved to Mami before the turn of the century.[33] The success of Miami's First National was epitomized by Romfh in 1935 when he said. "We pioneers in Southeast Florida faced hard times—sometimes accompanied by yellow fever and malaria. We suffered from floods, fruit flies, freezes and hurricanes, but . . . we lived through it all and plugged to make this part of Florida what it is today."[34]

By June of 1947, The First National Bank of Miami had been merged with the American National Bank and First Trust Company under the guidance of Comer J. Kimball, long an associate of Wiley Reynolds, and, at that time, Executive Vice-President of the First National Bank of Miami. This merger was a significant one in Florida's banking history. From it emerged Florda's largest bank, a pre-eminent position The First National Bank of Miami occupies to this day.

In December, 1948, Wiley R. Reynolds, Sr., passed away at the peak of his banking accomplishments. Surviving Reynolds was his wife and two children, Wiley R. Reynolds, Jr., and Mrs. Byron L. Ramsing.[35] Important also, in view of the relationship and integration of financial operations, were Mrs. Edward F. Swenson, sister of Mrs. Wiley Reynolds, Sr., and her two children, Harry Hood Bassett and Mrs. Edward F. Swenson, Jr.[36] The men of these two closely-knit families have taken an active part in the operation of The First National Group, serving as officers and directors in the several institutons.

In 1948, the Hialeah-Miami Springs Bank, and in 1951, the newly incorporated Riviera Beach Bank were added to the First National Group, bringing the total number of banks in the Group to eight.

An observer of the group wrote, in 1948, that each affiliate "is independently financed and independently operated. Their common tie is group judgment, thinking and planning—the continuing process of one bank developing and perfecting a particular banking technique to meet a localized need, and passing on its findings to the other banks for consideration.[37]

SELECTED ASSETS AND LIABILITIES: FIRST NATIONAL GROUP: DECEMBER 31, 1952

, (in thousands of dollars)[38]

	Deposits	*U. S. Bonds*	*Other Bonds*	*Loans*	*Capital Accounts*
First National Bank, Miami	$162,490	$ 89,036	$ 9,528	$35,021	$ 9,113
First National Bank, Palm Beach	45,311	22,252	4,628	9,897	4,241
First National Bank, Coral Gables	34,748	16,982	950	10,543	2,104
Little River Bank and Trust Company (Miami)	27,456	12,405	974	8,156	1,608
First National Bank, Fort Lauderdale	26,711	13,373	1,058	8,761	1,572
Hialeah-Miami Springs Bank (Hialeah)	17,720	11,935	761	2,998	901
First National Bank, Lake Worth	14,160	7,527	1,340	2,567	903
Riviera Beach Bank	4,492	2,414	108	743	196
TOTAL	$333,551	$175,927	$19,453	$78,689	$20,642

The first combined statement of the First National Group, publicly issued, showed combined resources in December, 1949, of $253,077,576. The last publicly published group statement, December 31, 1952, showed combined group resources of $357,392,-742, an increase of over $100 million in resources during the 1949-1952 period.

The growth of the First National Group during a short period of years was noteworthy from the standpoint of the banks being concentrated in the seventy-mile stretch of coast line between Palm Beach and Miami. This unusual centralization appears to have given way to a policy of gradual decentralization during the past two years—another unusual phenomenon in view of usual trends in such matters.[39] Evidence of this was shown in statements made to respective shareholders by Presidents of four of the Group Banks at annual meetings in 1953, to the effect that "substantial" amounts of shares had been made available to the managements by controlling interests for local distribution in the areas served by these particular banks. This apparently affected

only the Coral Gables First National Bank, Little River Bank and Trust Company, Hialeah-Miami Springs Bank and the First National Bank of Fort Lauderdale. The amounts of shares involved in these developments were not disclosed.

In the remaining banks of the group the reported resources, as of June 30, 1954, were as follows:

First National Bank of Miami	$191,549,000
First National Bank in Palm Beach	54,472,000
First National Bank in Lake Worth	15,048,000
Riviera Beach Bank, Riviera Beach	6,035,000
Total	$267,104,000

The combined resources of all of the banks that were included in the combined statement as of December 31, 1952, showed total resources on June 30, 1954, of $398,658,000.

7. GROUP BANKING: 1950 - 1954

By way of recapitulation, group banking had become well established in Florida by 1950. The Florida National group was the largest, both in number of units—twenty-three—as well as in total deposits. The McNulty group had nine units in 1950; the First National of Miami, eight; the Atlantic National, seven; and the Barnett group, five. In some cases, the largest bank in the group served as a control bank where policies were established, and certain banking service and management functions performed for members of the group. The control banks of three groups were located in Jacksonville, and this was a factor in the concentration of banking assets there which was disproportionate to certain other factors.

The ratios of the amount of certain assets and liabilities of the group banks to those of all banks in Florida, in 1951, are shown in accompanying table XXV-A (1954 comparisons would be difficult to make because of group changes noted). The most significant ratios in this table relate to all group banks. Thus, in 1951, the groups as a whole held 47.9 per cent of the deposits, but a smaller percentage of the obligations of states and subdivisions and of loans. Holdings of federal obligations were 48.4 per cent, while the capital accounts of all groups amounted to 52.7 per cent of the bank capital of the state.

The Florida National Group, in 1951, held a larger proportion of each asset and liability category than any other group—between 17 and 18 per cent of the state total. The McNulty group held a little more than one per cent of the assets held by all commercial banks in the state. The Florida National group held a larger proportion of capital funds than of deposits. The First National of Miami group held a larger percentage of United States securities than of deposits. Holding of obligations of states and subdivisions of the Barnett National group were proportionately lower, and those of the McNulty group were higher, than their respective deposits.

By 1951, the five groups of banks, noted above, controlled more than 25 per cent of the banking units and about 50 per cent of the deposits and key assets of all the banks in the state. Each group held about the same proportion of the state total of each asset category and of capital accounts that it held of deposits in the state, indicating that each group, considered as a unit, distributed its assets in about the same way as all Florida banks as a whole.

TABLE XXV - A

RATIOS OF THE AMOUNT OF CERTAIN ASSETS AND LIABILITIES OF BANK GROUPS TO THE SAME ASSETS AND LIABILITIES OF ALL BANKS IN FLORIDA, JUNE 30, 1951

BANK GROUP	*Total Deposits*	*U.S. Government Obligations*	*Obligations of States and Subdivisions*	*Loans*	*Capital Accounts**
First National Group of Banks of Southeast Florida	13.9%	17.1%	12.9%	11.2%	13.2%
Florida National Group of Banks	17.9	17.5	17.5	17.5	23.4
Atlantic National Group of Banks	9.6	7.5	9.0	10.3	9.5
Barnett National Group of Banks	5.2	4.9	0.7	5.6	5.4
McNulty Group of Banks	1.3	1.3	2.2	1.5	1.2
TOTAL GROUP BANKS	47.9	48.4	42.3	46.1	52.7
TOTAL NON-GROUP BANKS	52.1	51.6	57.7	53.9	47.3
TOTAL GROUP AND NON-GROUP BANKS	100.0	100.0	100.0	100.0	100.0

* Derived from data supplied by the Federal Deposit Insurance Corporation.

TABLE XXV - B

SELECTED ASSETS AND LIABILITIES OF BANK GROUPS IN FLORIDA: 1950 - 1954

(in thousands of dollars) [40]

	DEPOSITS		*U. S. BONDS*		*OTHER BONDS*		*LOANS*		*CAPITAL ACCOUNTS*	
	1951	*1954*	*1951*	*1954*	*1951*	*1954*	*1951*	*1954*	*1951*	*1954*
Florida National	$ 370,003	$ 448,266	$ 176,464	$ 207,111	$ 21,466	$ 21,667	$ 87,275	$114,704	$ 31,191	$ 31,974
First National	286,528	371,381*	172,428	188,580*	15,781	21,712*	55,877	98,325*	17,547	22,798*
Atlantic National	198,451	238,821	74,862	83,874	11,018	21,626	51,084	70,959	12,690	13,865
Barnett	106,412	136,848	49,352	62,497	862	3,118	28,101	36,322	7,213	8,452
McNulty	26,860	44,206	12,660	16,377	2,749	3,756	7,249	12,227	1,545	3,024
Total Group Banks	$ 988,254	$1,239,522	$ 486,766	$ 558,439	$ 51,876	$ 71,879	$229,586	$332,537	$ 70,186	$ 80,113
Total Non-Group	$1,076,942	$1,477,688	$ 519,746	$ 651,048	$ 70,690	$134,296	$268,271	$418,200	$ 62,947	$102,578
STATE TOTAL	$2,065,190	$2,717,210	$1,006,512	$1,209,487	$122,566	$206,175	$497,857	$750,737	$133,133	$182,691

* For comparative purposes only. See text pages 194-195.

The combined total resources of the several banks in each of the five groups, as of June 30, 1954, were:

Florida National	$ 490,005,375
First National	267,104.000
Atlantic National	257,405,020
Barnett National	146,840,554
McNulty	47,283,470
Total	$1,208,638,419

The total resources of all Florida banks were $2,923,151,000 on June 30, 1954. Thus the combined resources of the five groups of banks which came to $1,208,638,419 represented slightly more than 40 per cent of the total bank resources of Florida in 1954.[41] This is a decline in the relative importance of the groups of approximately 10 per cent since 1951; however, a part of this decline can be accounted for by the exclusion of some banks in the 1954 figure of the First National of Miami Group which did appear in the comparative group bank statement in 1951.

NOTES — CHAPTER XV

1. *Florida Statutes, 1953,* Chapter 659.06.
2. *U. S. STATUTES at Large, XLIV* (1927), 1224; *ibid.,* XLVIII (1933), 162.
3. *Florida Statutes, 1953,* Chapter 659.14.
4. Ray B. B. Westerfield, *Historical Survey of Branch Banking in the United States,* (New York, 1934), 34.
5. E. W. Lane, "Reminiscing with Edward W. Lane," *Proceedings of the forty-third convention of the Florida Bankers Association,* 1936, 32-35; "To Keep Your Light So Shining: The Story of the First Fifty Years of The Atlantic National Bank," typed manuscript, August, 1953, copy in possession of the bank. Hereinafter cited as "First Fifty Years."
6. "First Fifty Years," 7. It is a source of pride to the Atlantic that that first savings account was opened by Mrs. Amanda E. Campbell, who is still (1953) among the bank's valued customers.
7. *Ibid.,* 17.
8. *Ibid.,* 22.
9. *Ibid.,* 29.
10. Statements of Condition, Comptroller's Call, June 30, 1954.
11. Marquis James, *Alfred I. duPont, The Family Rebel.*
12. *Florida and the Florida National Group of Banks,* 3.
13. *Orlando Sentinel,* September 13, 1953.
14. *Ibid.*

15. Freeman Lincoln, "The Terrible Tempered Mr. Ball," *Fortune*, XLVI (November, 1952), 143 *passim*.
16. *Florida and the Florida National Group of Banks*, 9.
17. *Statements of Florida National Group of Banks of the State of Florida*, June 30, 1954.
18. Memorandum from W. R. McQuaid, Chairman of the Board, December, 1954.
19. J. E. Dovell, *Florida* (New York, 1952), III, 1-2.
20. Memorandum written by B. H. Barnett, 1947.
21. W. R. McQuaid to Floyd M. Call, letter of November 27, 1954.
22. *Ibid.*
23. *Ibid.*
24. *Statement of Condition, The Barnett National Bank of Jacksonville and Affiliated Banks in Florida*, June 30, 1954.
25. Information supplied by William Fletcher, vice-president and assistant trust officer of the Bank of Melbourne and Trust Company.
26. Stephen Trumbull, "Dakota Lad Goes East, Now Heads Florida Banks," *Miami Herald*, November 7. 1954.
27. The McNulty Group of Banks, *The Story of Our Banks*, 5.
28. Statement of the McNulty Group of Banks, June 30, 1954.
29. "The First National Bank in Palm Beach," *Fortune*, XXXIII (January, 1941), 60, *passim*.
30. J. E. Dovell, *Florida*, III, 25.
31. "First National in Palm Beach," *loc. cit.*, 108.
32. Dovell, *Florida*, III, 25.
33. E. C. Romfh, "Edward C. Romfh Discusses Bank Operations," *Proceedings of the Florida Bankers Association*, 1935, 16-18, *passim*.
34. Romfh, "Bank Operations," *loc. cit.*, 19.
35. Dovell, *Florida*, III, 25-26.
36. *Ibid.*, IV, 898.
37. Sam B. Lyons, "Florida's Largest Bank: First National of Miami," *Finance*, LIV (June 15, 1948), 25.
38. Combined Statements of Condition, The First National Group, December 31, 1952.
39. Comer J. Kimball to J. E. Dovell, letter of December 1, 1954.
40. Richardson, "Banking in Florida," 89-92 for 1951; *infra* for 1954.
41. *Comptroller's Reports*.

Chapter XVI

ECONOMIC ENTERPRISE AND BANKING

1. POPULATION CHANGES: 1900 - 1950

A most significant factor in any consideration of Florida at the middle of the 20th century is an understanding of the rate of population growth since 1900 and the impact of the great increase on all other factors of the state in 1954. The rate of growth of Florida's population was:[1]

Year	Population	Per Cent Change
1900	528,742	
1910	752,619	42.4
1920	968,470	28.7
1930	1,468,211	51.6
1940	1,897,714	29.2
1950	2,771,305	46.1

From 1940 to 1950, 49 of the 67 counties in Florida increased in population. More than a fourth of the population gain for the state was in Dade County, with an increase of 227,435. Three other counties, Duval, Hillsborough, and Pinellas, accounted for another fourth of the gain. Five counties: Bay, Broward, Clay, Monroe, and Okaloosa more than doubled in population from 1940 to 1950. The counties ranged in population in 1950 from Glades with 2,199 to Dade with 495,084.[2] The ten largest counties in population in 1950 were:

	County	Population	
These five had 47% state total	Dade	495,084	These six had 52% state total
	Duval	304,029	
	Hillsborough	249,894	
	Pinellas	159,249	
	Polk	123,997	
	Orange	114,950	
	Palm Beach	114,688	
	Escambia	112,706	
	Broward	83,933	
	Volusia	74,299	

The combined population of the twenty-two smallest counties in population, in 1950, was less than 150,000. The loss of population between 1940 and 1950 in eighteen counties varied

from a loss of 3,090 in Dixie County to a loss of 15 in Hardee County. Other counties which lost population in this decade were: Baker, Calhoun, Franklin, Gilchrist, Glades, Hamilton, Holmes, Jefferson, Lafayette, Levy, Liberty, Madison, Suwannee, Taylor, Wakulla, and Washington.

Florida's population increase and the national population increase were:

Years	Per Cent Increase Florida	Per Cent Increase United States
1930-1940	29	7
1940-1950	46	14

A significant trend in population growth of the state after 1920 was in the census of urban dwellers:[3]

Year	Persons in Incorporated Places of 2,500 or More	Per Cent of Total
1920	353,315	36
1930	759,778	51
1940	1,045,791	55
1950	1,566,788	56

A new urban definition was established for the 1950 census with urban population including inhabitants of all places, incorporated or unincorporated, of 2,500 or more and all persons in the densely settled urban fringe around cities of 50,000 or more. Under this new definition the urban population of Florida in 1950 was counted as 1,813,890. This figure represented 65.5 per cent of the total population of the state. The remaining persons in the state, the dwellers in rural areas, were counted at 957,415 in 1950. The use of the new definition of urban dwellers in 1950 produced a gain of 250,000 as a result.

A secondary trend, incident to urbanization and previously mentioned, has been the development of metropolitan districts. Three metropolitan districts had developed around Jacksonville, Tampa-St. Petersburg, and Miami by 1945, around Orlando by 1950, and to a lesser extent in the West Palm Beach and Pensacola areas. These districts have increased rapidly and highlight the population growth of the state. They depend on migration for growth; whereas 48 per cent of the population of the state was not native to Florida, 60 per cent was not native in these districts.[4]

While tourists are important to the economy, the basic factors in Florida's metropolitan growth are commerce and service industries. "Unless radical changes will take place in the population trends of the State, three new metropolitan districts will appear in the near future with three to five to follow later."[5] On the basis of the census reports the fact appears that more than a thousand migrants a week, on the average, from 1940 to 1950, became permanent residents of Florida. The natural gain of births over deaths among residents totalled 262,547 for the decade; new residents from outside the state totalled 584,759 for the same period. "In-migration is essential to the further development and growth of Florida and its metropolitan districts. Therefore, the economic and political conditions have to be carefully guided so as to enhance the natural attractiveness of Florida. The beautiful scenery, and the beaches and lakes, the forests and the climate are strong factors inducing people to come to Florida, but unless the man-made environment is carefully guarded, it may not always remain attractive."[6]

2. CONTEMPORARY ECONOMIC ENTERPRISE

The phenomenal growth of Florida from 1920 to 1950 in population has influenced a similar growth in every segment of the variegated economy. "The economy of any region consists of its people, its resources, and what the people do with the resources that are available to them. That more and more people are finding the 'Sunshine State' a good place in which to work and do business is shown by the way the population has grown."[7] Economic progress since 1930, when total income payments were $635 million, to $3,376 million in 1950—an increase of over 400 per cent in 27 years—is likewise phenomenal.

In 1950, by types of income payments, wages and salaries led, followed by proprietary income from industrial, commercial, farm, and other establishments; income from property, rentals, dividends, and interest; and public assistance, retirement, and welfare payments. The average personal income in 1950 was reported at $1,210 for residents, 84 per cent of the national per capita average. In terms of family income the average Florida family earned $3,849 in 1950.[8]

The development of "Tourism" and the solicitation of tourists on a year-round basis have become Florida's number one business. The traditional tourist season is disappearing; seasonal variations in business activity, as measured by bank debit trends from the months of May through September, dropped from a high of 18 per cent change to 7 per cent in 1950 for the state as a whole. Summer debit volumes in 1950 below the winter months varied from ten per cent in Miami to less than four per cent in Jacksonville. A further indication of Florida's increasing summer tourism was shown by the fact that in 1950 the number of employees at 2,338 motor courts and motels varied only seven per cent between winter and summer as compared with 28 per cent variation in 1939.[9] The state derived $930 million from the 5 million tourists who visited the state in 1953.

The forest resources of Florida reached a new level of importance by 1952. By that year the wholesale manufactured value of forest products was well over $323 million, with pulpwood products accounting for over one-half the total.[10] Mineral production, especially in phosphates, continued to occupy an important place in the Florida industrial economy. By 1952, phosphate production brought $50 million annually while total mineral production reached $80 million dollars. In the same year commercial fishing added to the state income with a total haul valued at $26 million at the docks.[11]

While Floridians boast of climate and scenery, few claim the role of manufacturing for the state. Nonetheless, 118,000 employees were paid $332 million in 1952 and the value added to raw materials by the process of manufacturing passed $633 million.

In the field of food processing the production of citrus concentrate increased from 10 million gallons in 1948-1949 to almost 25 million gallons of frozen citrus concentrate and 2 million gallons of processed citrus concentrate in the 1949-1950 season. At the same time the canned citrus pack was over 37 million cases of juice and sections of fruit. Citrus processing and canning required nearly 50 million boxes of fruit. By-products included 150,000 tons of feed, 41,000 tons of molasses, and 12,500 tons of meal.

Another measure of the economy of Florida is found in the growing volume of trade. Sunshine and sea breezes are free,

but while the tourist visits Florida, food, lodging, and other services are necessary. In 1948 retail trade reached $2,300 million, with tourist expenditures represented by fully one-fifth of the total. By 1953, retail sales had reached a total of $3,500 million. The position of agricultural economy in the income of Florida remains important despite the increasing urban character of the state. Cash farm income rose from $100 million in 1935 to $401 million in 1949, and to $500 million in 1951, including livestock and livestock products. The gross packed value of Florida fruits and vegetables in the 1951-1952 season was $367 million; in the 1952-1953 season, $375 million.

In the 1952-1953 season, Florida citrus production exceeded the production of all other states combined with 110 million boxes of fruit and a gross value of $218 million at the packing houses. The increase in citrus production from 5 million boxes with a value of $2 million in 1909-1910 is another measure of the phenomenal growth within the state.

Throughout the history of Florida the field of animal husbandry has remained an important segment of the agricultural economy. Cash farm income from livestock moved from $19 million in 1935 to $96 million in 1949, $107 million in 1950, $120 million in 1951, and $152 million in 1952. The rapid growth of the livestock industry was based, in large part, on the increase of the cattle population. In 1935 the number of cattle in Florida stood at 800,000, by 1951 there were 1,500,000, and in 1952, 1,662,000.

Industrial and agricultural enterprise in Florida has enjoyed expansion and prosperity since 1900. Large areas of land are available for continued growth, especially in forest products and cattle grazing. Increased opportunities through experimentation with new crops, discovery of new uses for wood, and improved methods of handling and marketing products, offer room for further growth. But the human element in Florida's growth has been important too: "Economic progress on the scale of that in Florida is not something that just happens. It comes about because of qualities inherent in its business community—aggressiveness, progressiveness, and a lively spirit of venture. These are found in abundance in Florida businessmen . . ."[12]

3. BANKING AND ENTERPRISE

The Florida economy is relatively unique among the several states for its diversity and for its dependence on factors largely dependent on climate. Broadly, however, the economy of Florida is supported, as are other states, by three major components of agriculture, service industries, and manufacturing. Commercial banking is not basic in the sense of the extractive industries, agriculture, and manufacturing for banking activity is complementary and develops and changes with the economic activities which may be dependent on bank loans and other bank services. The dependence of economic enterprise upon commercial banking and the promotion of financial services by banks are an integral part of the history of economic activity in any area; the availability and use of bank credit form an important part of the history.

An analysis of the basic structure of the economy of Florida, in terms of income payments, when compared with a similar analysis of the nation as a whole, shows that over 30 per cent of the state's income was derived from the trade and service industries; the national figure was 26 per cent in this category.[13] The percentage of income derived from agriculture was almost 10 per cent for Florida as compared to the national average of 7.2. Manufacturing, however, supplied only 7.4 per cent of the state income whereas the national income derived 23.1 per cent from this source. Compensations for this difference in manufacturing, percentage wise, were found in the higher government and property income in Florida. Professor James G. Richardson, in a detailed study made in 1953-1954, stated that: "A more detailed analysis shows that the agricultural, manufacturing, trade and service industries themselves show a wide divergence from the national picture."[14] Thus, the principal types of manufacturing are grouped around food processing, forest products, and phosphate products. In agriculture the economy is divided into the major segments of fruit, vegetable, and row crops (cotton, corn, tobacco), with tree farming an adjunct of agriculture in several sections. The trade and service industries are widely dispersed with high percentages in the resort areas of the east and west coasts.

TYPES OF INCOME IN FLORIDA AND THE UNITED STATES: TOTAL AMOUNTS, PERCENTAGE DISTRIBUTION AND PER CAPITA, 1950

Type of Income	Florida (Amounts in Millions)	Per Cent of Total: Florida	Per Cent of Total: United States	Per Capita: Florida	Per Capita: United States
Total	$3,376			$1,218	$1,442
Wages and Proprietors' Income	2,623	77.7	81.9	946	1,180
Manufacturing	249	7.4	23.1	90	334
Agriculture	335	9.9	7.2	121	104
Construction	226	6.7	5.0	82	72
Transportation	170	5.0	4.8	61	69
Trade	641	19.0	17.4	231	251
Service	400	11.8	8.9	144	128
Finance	102	3.0	3.0	37	43
Mining	18	.5	1.6	6	23
Power and Gas	23	.7	.8	8	12
Communications	31	.9	1.0	11	14
Government	396	11.7	8.9	143	126
Miscellaneous	64	1.9	1.3	23	19
Property Income	473	14.0	11.1	171	161
Other Income	280	8.3	7.0	101	101

Source: Bureau of Economic and Business Research, University of Florida, **Manufacturing in Florida**, 1952, p. 18.

An analysis of economic activity and the demand for bank loans can be made in broad outline. As of June 30, 1954, the Florida banks reported assets of $2,923 million, of which $751 million was in loans and discounts. Of this figure $282 million represented commercial and industrial loans.[15] Within recent years an increasingly large number of Florida banks have established consumer credit or installment loan departments for the financing of a large variety of consumer goods for their customers. As previously noted, the ratio of loans to assets in Florida is relatively low in comparison with the national figure and with the figures of other states. Answers for the reason for the low loan ratio in Florida may be found in a closer inspection of the composition of the several classes of economic enterprise.

Such an example may be seen in pulp, paper, and wood-processing firms in the state. Eight pulp and paper producers, located in seven Florida cities, added a value of almost $85 million through manufacture to their products in 1950. With one exception these mills are operated by companies that produce

and sell in several sections of the nation and in foreign nations with their main offices located outside the state. "The pulp and paper manufacturing plants, which ranked second in the state in value of product in 1950, have little demand for loans from banks within the state. They need depository facilities to make local payments such as wages. This depository activity, however, provides local banks with loanable funds. The evidence seems to indicate that the pulp and paper industry, a major segment of manufacturing, does not provide a large direct loan demand for the commercial banks of the state, although they are major contributors to income. . . ."[16]

Paralleling the pattern of the paper and pulp industry, the phosphate industry is dominated by eight major producers, six of whom have general offices outside Florida. In 1952, almost 8,800,000 long tons of phosphate, valued at $51 million at the mines, were produced in the state.[17] The major phosphate operations in Florida are but a part of the activity of the large national and international operators. The need for banking services follow the same channels as for the pulp and paper operators in that financing is generally a matter handled at the home offices outside the state.

In the case of the food processing industries, a $100 million activity in 1950, a considerable volume of bank lending takes place although figures are not available to prove either volume or type of loan. "Working capital loans are extended by banks; however, most bankers approach these loans with extreme caution. Seldom do loans exceed 50 per cent of the market value of inventory."[18]

In the trade and service industries, a large part of the investment is a long-term fixed obligation. Investments in hotels, motels, and similar business activities which cater to transients are not particularly attractive to commercial banks in view of the long periods of amortization. While commercial banks are able to meet the working capital needs of trade and service industries, these demands are a very small part of the total loans.

Reference has been made to the activity of Florida banks in real estate loans which amounted to less than 23 per cent of

the total loans in 1951. On June 30, 1954, the banks of Florida reported loans on residential property of $90 million and on other properties of almost $52 million. Farm loans were $12 million, total real estate loans were $155 million. The total loans of Florida banks on June 30, 1954 were $751 million. While the percentage of residential loans remains relatively small, their importance is shown by the fact that bank loans on residential real estate increased over 400 per cent from 1945 to 1951, as compared to a national increase in loans of this category of 225 per cent.[19]

Although mention has been made of the important place occupied by agriculture in the economy of Florida, the percentage of loans to this segment of the economy was three per cent in 1951 as compared with a national average of five per cent. The Agricultural Commission of the American Bankers Association reported on July 15, 1954 that: "Banks in Florida were one of the largest lenders to farmers for their credit requirements which included non-real estate loans, consisting of operating and production loans with $20,727,000 outstanding and real estate mortgage loans with $11,471,000 outstanding on January 1, 1954. In addition, the sum of $1,810,000 in Commodity Credit Corporation loans to farmers was held by banks in connection with the Government's farm price-support program. According to a special study made by the Federal Deposit Insurance Corporation, 182 of the 213 insured commercial banks in Florida made loans to farmers in 1953." In June, 1954, the Florida banks reported production agricultural loans of $22 million, which was three per cent of total loans.[20]

An inspection of the categories of agricultural production in Florida reveals several reasons for the smaller percentage of agricultural loans as compared with other agricultural states. Fruit and vegetable production lack qualities that provide stability for loans; both fruit and vegetable crops are highly perishable and incapable of storage for long periods, and while in the grove or field are extremely sensitive to the vagaries of extremes of temperature and precipitation. "These qualitiese have been in large measure responsible for the absence of a Federal price support program . . . crops of cotton, corn, and tobacco are much more attractive as collateral for crop loans than are the other major crops of Florida."[21]

The interest of the bankers of Florida in agricultural enterprise in the state has been continuous and the amount of agricultural loans on a state-wide basis is a poor index of banking activity away from the metropolitan districts. The interest of the commercial banks in merely one segment of agricultural enterprise, the production of beef cattle, is borne out by the financing of farmers and ranchers in the upgrading of stock and the promotion of better quality and larger size herds.[22]

Forestry, which is allied to both agriculture and manufacturing in Florida, has likewise been a subject of interest to the banks of the state for many years. About two-thirds of the state's area is in forest land, compared to less than one-third of the lands devoted to forests throughout the nation. The 15 to 30 years period necessary for forest tree growth makes the commercial bank financing of tree crops difficult under present conditions. Nonetheless, Florida bankers have been active in their interest in tree farming and in promoting the protection of forested areas from fire destruction. "Although banks make working capital loans to timber merchants for short periods to cover timber, wages, and transportation during cutting, these loans are not production loans in the sense that the tree farmer is financed during his long production period. A similar situation exists in citrus groves where it takes from seven to ten years from planting to production."[23] However, recent changes in rulings made by the Comptroller of the Currency and the State Comptroller indicate that in the future Florida banks may be permitted to enter actively into this lending area.

Analysis of the existing economy of Florida indicates characteristics that are somewhat unusual among the several states. Within recent years the channels for loans that exist in most other states have not been developed in the peninsula state. Evidence has shown that economic enterprise in Florida has not provided loan outlets for commercial banks in line with the State's population, income or wealth. "Commercial bankers almost invariably prefer to make loans to local borrowers, but when there is an insufficient demand for high quality commercial bank loans, bankers of necessity must invest their funds in other assets, and Florida bankers, for the most part, have put their residual funds in United States government obligations."[24]

NOTES — CHAPTER XVI

1. *Seventh Census of the State of Florida, 1945; 1950 Census of the Population of the United States.*
2. *Ibid.*
3. John M. Maclachlan, "Population Changes in Florida," 1930-1940," *Economic Leaflets* (March, 1942), and Sigismond D. Diettrich, "Florida's Transition from Rural to Urban Economy," *Ibid.*, (January, 1943).
4. Reinhold P. Wolff, *Miami, Economic Pattern of a Resort Area* (Coral Gables, 1945); *Florida: Wealth* or *Waste?* (Tallahassee, 1946), 9-36.
5. Diettrich, "Metropolitan Growth," *loc. cit.*
6. *Ibid.*
7. Earle L. Rauber, "Florida's Progress and the Federal Reserve," *Monthly Review* of the Federal Reserve Bank of Atlanta, October, 1950, 95.
8. Florida State Chamber of Commerce, "Weekly Business Review," Sept. 2, 1951.
9. Florida State Chamber of Commerce.
10. Florida Forest Service reports, 1950.
11. Unless otherwise noted, information in this section is from the files of the Florida State Chamber of Commerce.
12. Rauber, "Florida's Progress and the Federal Reserve," *loc. cit.* 99.
13. Bureau of Economic and Business Research, University of Florida, *Manufacturing in Florida, 1952*, 18.
14. Richardson, "Banking in Florida," 98.
15. F.D.I.C., *Report No. 41*, June 30, 1954.
16. Richardson, "Banking in Florida," 165.
17. Florida Geological Survey, *Tenth Biennial Report, 1951-1952.*
18. Richardson, *op. cit.*, 107.
19. F.D.I.C., *Annual Report, 1951*, 37.
20. F.D.I.C., *Report No. 41.*
21. Richardson, *op. cit.*, 110.
22. Steve Willis, Jr., "Beef and Bankers," Florida Times-Union, September 5, 1954; John Boardman, *Bank Finance of Beef Cattle* (Palm Beach, 1953); Reports of the Agricultural Committees, annual *Proceedings* of Florida Bankers Association.
23. Richardson, "Banking in Florida," 105.
24. James G. Richardson, "Florida's Commercial Banks," *Economic Leaflets*, September, 1953.

Chapter XVII

THE FLORIDA BANKERS ASSOCIATION: 1888 - 1954

1. BEGINNING OF THE ASSOCIATION

The rapid increase in the settlement of Florida, the construction of railroads, and the expansion of agriculture, industry, business, and commerce in the decade of 1880-1890 has been previously discussed. Likewise, there was a rapid development of commercial banking activity throughout the state. Bion H. Barnett, dean of Florida bankers, recalled that: "By 1888 the number of banks in the State had increased to the point where a few of us decided a State Bankers Association would be of benefit to all. A meeting was held in the winter of 1888 and our organization perfected."[1]

The organization meeting was held in Orlando on February 28, 1888, and was attended by the representatives of several banks. James M. Schumacher of Jacksonville was elected president and H. G. Garrett of Orlando was elected secretary and treasurer. The primary purpose of this first meeting was to effect the organization of a state association. There was evidence of a need for an organization to help unify banking practices in the state and eliminate the extreme individualism which then characterized the banking business. Through organization and regular interchange of views the organizers believed there would be an improvement in banking practices and interests and this, in turn, would inure to the benefit of all economic activities in the state.

In response to the call for a meeting, the first annual convention was held in Jacksonville, February 26, 1889, at which 17 banks were represented. "At the first annual meeting, a paper was read on the subject, "No Protest Collections," by L. J. J. Nienenkamp; J. M. Schumacher was re-elected president and H. G. Garrett, Secretary and Treasurer."[2] A resolution was passed on the deaths of six Jacksonville bank officials who had been victims of the yellow fever epidemic of 1888.

In the constitution adopted, the organization was named the Florida Bankers' Association and membership was open to banks generally in the state with annual dues of $10 for each

member bank. Officials of the Association were a president, secretary and treasurer, three vice-presidents, and an executive committee. The executive committee was nominated and elected separately from the other officers.

James M. Schumacher was again chosen as president at the second meeting in Jacksonville in 1890. The third annual meeting was held in Ocala and A. A. Parker of Tavares was elected president and re-elected at the 1892 meeting in Jacksonville. The annual meeting for 1892 "was called to be held at Tampa, on April 1, 1892. Owing to the lack of a quorum at that time, the meeting was adjourned to May 5th, in Jacksonville." At the adjourned meeting the following officers were elected: President, Fred W. Hoyt of Fernandina; secretary and treasurer, Thomas W. Conrad of Jacksonville; first vice-president, F. P. Forster of Sanford; second vice-president, T. C. Taliaferro of Tampa; third vice-president, Warren Tyler of Bartow. The executive committee, as elected, was composed of Bion H. Barnett of Jacksonville, Henry G. Aird of Jacksonville, and G. C. Stapylton of Leesburg.[3]

The history of the early years of the Association is a record of numerous disappointments. In later years, B. H. Barnett stated: "The Association had a hard struggle for existence during its early days, even failing to hold its annual convention on more than one occasion. . . ."[4] The minutes of the meetings held in the years 1890-1902 were apparently burned in the Jacksonville fire of 1901 while many of the subsequent records have been lost. Copies of the *Proceedings* were printed in 1893 and 1894 and regularly after 1906, but no complete file of the *Proceedings* that were printed has been maintained.[5]

2. GROWTH OF THE ASSOCIATION

Representatives of 16 banks answered the roll-call of the fifth annual meeting held at Jacksonville on January 19, 1893. In his annual report President Hoyt stated that more than half of the banks of the state had "become members by paying their dues to the Secretary . . . our total membership is now twenty-seven. The capital, surplus and deposits of the banks belonging to this Association, amount to about $8,000,000. . . . The total receipts of the Association treasury during the year were $280.00 and total expenditures, $44.00. The balance on hand at the

opening of this meeting was $429.94. The Executive Committee estimates that the current expenses for the coming year, exclusive of any expenditures that may be authorized by this meeting, will be $150.00."[6]

President Hoyt, in 1893, summarized the benefit of the organization: "By meeting as we have here today we are enabled to become better acquainted with each other personally; to learn by consultation the needs of our profession in the different parts of the state, and to act together in an effort to secure beneficial legislation; by an exchange of views to formulate new methods for the every-day transactions of the office; and, above all, to cultivate a spirit of fellowship and friendship which can result only in harmony of action and an elimination of unnecessary rivalries and jealousies, if such have existed."[7]

After the sixth annual meeting held at Jacksonville in 1894 there were only three meetings until the tenth convention, also held in Jacksonville in 1903.[8] "Thirty-nine banks were represented. A very valuable paper was read on the following subject: 'A Point Left Unsettled by the Negotiable Instruments Law,' by the Hon. L. C. Massey of Orlando."

In the early years, until 1906, the annual meeting was held during one day with sessions in the morning and afternoon. Most of the speakers were members of the Association who read papers and led discussions on subjects of interest to bankers of the state. Thus, at the 1904 convention G. W. Saxon of Tallahassee read a paper on "Recovery of Forged Checks" and John T. Dismukes of St. Augustine read a paper on "Routing Items." A popular subject through the years was on "country banking compared to city banking."

Growth of membership in the Association was rather slow. From representatives of 17 banks at the 1889 meeting the number grew to 27 in 1893 and 39 in 1903. By 1912 the Association had 161 members; by 1913, 174. There were 158 dues-paying members in 1917, 135 in 1918, and 201 in 1919.[9] In 1921 the secretary-treasurer reported a membership of 221; in 1922, a membership of 251. In 1923 the membership climbed to 274, with only nine banks in the state being non-members. The following year the membership rose to 280; in 1925, 299; in 1926, 316; and in 1927, 317. Beginning in 1928, the membership of the

Association began to decline: 308 in 1928; 267 in 1929; 215 in 1930; 178 in 1931; 164 in 1932; 157 in 1933; and a low of 138 in 1934.[10] With the upturn of business activity and the chartering of new banks in 1935 the membership rose to 144 and in 1936 to 147. By 1942, the membership had grown to 157; 1949, 177; 1952, 197; and in 1954 to the present 213.[11]

Throughout the early years the burden of maintaining the interest of members in the Association and of extending its life and influence appeared in the services of four presidents: J. M. Schumacher of Jacksonville, Fred W. Hoyt of Fernandina, Bion H. Barnett of Jacksonville, and John T. Dismukes of St. Augustine. After 1904, a large measure of the success of the program of the Association was the result of the work of George R. De Saussure of Jacksonville. De Saussure, a vice-president of the Barnett National Bank and first manager of the Jacksonville Branch of the Federal Reserve Bank of Atlanta, served as secretary-treasurer continuously from 1904 to 1921. Despite discouragement and occasional lack of interest Mr. De Saussure remained as secretary-treasurer until the membership of the Association had passed 220.[12]

During the early years the secretary-treasurer served without recompense, and as late as 1913 the Association instructed the Treasurer "to pay the expenses of the Convention, including the salary of the Secretary-Treasurer, of $300."[13] By 1916, the salary for the secretary was $300 annually; and the assistant secretary, $150. These salaries were raised to $400 and $350 respectively, in 1919. The net salary received by George R. De Saussure for more than 17 years of service was never commensurate with the service rendered the Association. At the convention of 1919 the following resolution was adopted: "That a vote of thanks be extended to Mr. George R. De Saussure, the efficient Secretary of this Association, for his earnest, careful and efficient services to this Association during the past year."[14]

After De Saussure's retirement in 1921 recognition came at the 1922 convention: "For the special committee appointed to prepare resolutions on the years of service . . . it was reported that the resolutions had been engrossed, framed and delivered. This committee was discharged with thanks, its labor of love having been well done."[15]

3. STATE BANKERS ASSOCIATION OF FLORIDA: 1918 - 1922

For a period of four years there were two bankers associations in the state. With the advent of the Federal Reserve System and the loss of fees previously made from exchange together with lower rates of interest there was much dissatisfaction and unrest among the "country bankers." But the movement toward required par clearance for all bank checks was sufficient to motivate a new organization of state chartered banks against the intended action of the officials of the Federal Reserve System. In the annual report of the secretary of the Association for 1917 the following statement appeared: "During the agitation against the plan of the Federal Reserve Banks to clear at par, the State Banks of this state, acting on the initiative of Mr. John T. Hammond of New Smyrna, called a convention to meet in Jacksonville. The meeting was held at the Seminole Hotel, and was largely attended by the state bankers."[16]

At the 1917 convention of the Florida Bankers Association a long and spirited discussion on the floor was held on the subject of par clearance with the views of the opposition, particularly state bankers, prevailing. A committee was appointed to present the views of the Association on the matter to the Florida delegation in Congress. President F. M. Conrad then appointed Cary A. Hardee of Live Oak, J. A. Griffin of Tampa, and John T. Dismukes of St. Augustine, a committee "to properly present to representatives in Congress the views of the Association."[17]

As a result of "the attempt by the Federal Reserve Bank to inaugurate a universal par list" a meeting of bankers from state chartered banks was held in Jacksonville in 1918 and the State Bankers Association of Florida was organized. Forrest Lake of Sanford was chosen president and T. J. Brooks of Jacksonville was chosen secretary-treasurer. The first annual convention of the State Bankers Association was held in Jacksonville, April 24, 1919, at which time there were 119 members in the group.[18] Officers of the State Association for 1919 - 1920 were George E. Nolan of Miami, President, and Wilson O. Boozer of Jacksonville, Secretary-Treasurer. J. D. Watkins of Micanopy was elected president in 1920 and Louis A. Bize of Tampa in 1921, while Boozer continued as secretary-treasurer of the organization. The second annual convention was held at Pensacola and

the third convention at Miami. Both the Florida Bankers Association and the State Bankers Association held their conventions in the same city, 1919-1921, with the State Bankers meeting a day ahead of the convention of the Florida Bankers Association. A number of state bankers were members of both Associations.[19]

The membership of the State Bankers Association increased to 184 in 1920 and 208 in 1921, with a decline to 188 in 1922. Developments in regard to required par clearance never materialized and at the Miami meeting in 1921 a committee composed of L. A. Bize, Chairman, J. R. Anthony, L. A. Usina, J. A. Ormond, and W. O. Boozer was appointed "to consider, report, and make recommendations upon the question of amalgamating the two bankers associations."[20]

The above committee met at Jacksonville on November 16, 1921, where a revision was made of the constitution of the Florida Bankers Association in the interests of the state bankers group. "Later in the day it met with a similar committee of the Florida Bankers Association in joint session. . . . The principal changes from the old constitution were as follows: 1. To eliminate the Federal Reserve Bank as an active member and make it an honorary member. 2. To divide the active members into two or more sections and to provide at once for . . . Section 1. State Banks. Section 2. National Banks. 3. It was provided that the administration of the affairs of the Association shall be vested in the officers and executive council—but, it was provided that the Executive Council should be made up of State and National Bank officers in the proportion of three State Bankers to two National Bankers. 4. That all committees appointed shall maintain the same proportion as to State and National Bankers as in the Executive Council."[21]

At the annual convention of the two associations, both held in Gainesville in April, 1922, separate executive sessions of the two associations were held at which the reports of the amalgamation committees were adopted. The consolidated association was called to order by the president of the Florida Bankers Association, Archie Livingston, and the new constitution and bylaws were adopted. The convention then continued as that of the Florida Bankers Association. Louis A. Bize, president of the dissolved group, was elected president of the Association for 1922-1923 and Charles A. Faircloth, president of the National

City Bank of Tampa, was elected vice-president, thus establishing a tradition of the rotation of state and national bankers as presidents of the organization.[22]

4. THE ANNUAL CONVENTIONS

The annual meetings of the Florida Bankers Association have been the high spots of the history of the organization. At these meetings the bankers of the state listened to talks on subjects of mutual interest and avidly discussed problems and methods of handling business, the rates of exchange, and other issues of the day. At least six conventions were held in the years from 1888 to 1894; four conventions in the years 1895 to 1902; and annual conventions from 1903 through 1954 (except for 1945).[23]

After 1900, a spirit of cooperation began to replace an earlier suspicion among bankers of the state. In the larger communities the clearing houses brought the bankers closer together and the conventions of the Association began to attract more and more bankers, guests, and visitors. Thirty-nine banks were represented at the 1903 meeting; at the 1913 meeting 136 bankers and 29 visitors were registered.[24] Attendance at the 1923 meeting was 275; in 1933 the attendance had dropped to 175; in 1943, a war year, the attendance reached 236. In 1944, 144 banks were represented and the registration was over 350. There was no convention in 1945. Early in the year, the Office of Defense Transportation denied applications for permission to hold statewide conventions. Manpower Director James F. Byrnes issued an order that prohibited such conventions where attendance would be in excess of 50 persons. The Executive Council of the Association met in Tampa on July 18, 1945, and elected S. E. Teague of Tallahassee as president to succeed V. H. Northcutt of Tampa. In recent years attendance at the conventions has grown steadily.[25]

Supplementing the papers read by members of the Association and the discussions on local subjects, have been the addresses on public questions by noted speakers and discussion of important financial issues by leading bankers or treasury officials. Thus, in 1905 an address was delivered by the Secretary of the Treasury, Leslie M. Shaw. At the 1906 meeting the Treasurer of the United States, Charles H. Treat, delivered "a

most able address."[26] The 1922 convention was addressed by the Comptroller of the Currency and the President of the American Bankers Association, while the State Treasurer and the State Comptroller have been almost annual visitors to the conventions. Comptrollers Ernest Amos, James M. Lee, and Clarence M. Gay have usually made talks at the annual meetings on subjects of state banking interest.

Within recent years the convention programs have been balanced with speakers on problems of national scope and on problems of more local or state-wide interest. Not infrequently the president or other officials of the American Bankers Association have attended and spoken at the annual meetings. Likewise, the Governor of the Federal Reserve Board or other Federal Reserve officials from Washington and Atlanta have spoken at several of the annual conventions.

The program of the 1953 convention, held at Hollywood Beach, included an address by W. Harold Brenton, of Des Moines, Iowa, President of the American Bankers Association; an address by Governor Dan McCarty, of Florida, that was read by John McCarty in the absence of the Governor; a talk on internal bank operations by Comptroller C. M. Gay; and speeches by Senator George A. Smathers and Dr. Doak S. Campbell, President of Florida State University. Headlining the program of the 1954 convention, held at St. Petersburg, Everett D. Reese, of Newark, Ohio, and President of the American Bankers Association, spoke on the importance of business and banking to the prosperity of the country. Other speakers on the 1954 program included Comptroller Gay, in his eighth consecutive appearance before a Florida bankers convention; Dr. J. Ollie Edmunds, President of Stetson University, De Land, Florida; Senator Spessard L. Holland, of Florida; and Dr. Kenneth McFarland, Educational Director, American Trucking Associations, Incorporated, of Topeka, Kansas.

A practice of many years duration at the annual meetings was to invite discussion from the floor of subjects raised in the addresses of the speakers. Thus, an address at the 1913 convention on the negotiable instruments law brought forth a considerable discussion from the members in attendance, finally ending in a motion and a vote on the motion for the proposed amendment of the existing law.[27] At the 1917 convention there

was a long discussion on the various aspects of the Federal Reserve Act and the powers of the Federal Reserve Board.[28] In 1923, there was a prolonged discussion of the advisability of assessing unprofitable checking accounts with a service charge and a blue sky law for Florida to supervise sales of stocks and bonds.[29] Discussion of the service charge was continued at the 1927 convention and a special meeting of representatives of state banks was held to discuss bills then before the legislature to create a new state banking commission.[30]

The subject of branch banking, now prohibited by Florida law, was the subject of an address at the 1930 convention. There was some discussion of the subject, but the question was referred to the legislative committee for further study.[31] The committee made an adverse report on any change in the Florida law the following year.[32] The problem of branch banking was revived at the 1933 convention, and by a vote of 55 to 15 the convention went on record in favor of branch banking by banks with not less than $500,000 capital, except in towns having an existing bank or banks.[33] The action of the 1933 convention on this matter was discussed at great length the following year. When a motion to rescind the resolution of the 1933 convention was voted on, the 1934 convention decided not to rescind by a vote of 24 to 25.[34]

At the 1935 convention a symposium on service charges was conducted by J. G. Garner and C. H. Alcock, both of Miami. The meeting was then thrown open for a discussion in which many of the members of the audience participated.[35] In 1936, the convention of the Association authorized the appointment of a bank research committee and an increase in the membership dues to finance the work of the new group.[36] This committee reported to the 1937 meeting that the Association should inaugurate an educational program for the benefit of the membership. Such a program would, the committee reported, necessitate the employment of a full-time secretary who would also serve as a director of research. After prolonged discussion at the 1937 convention the report of the research committee was not adopted, however, the committee was reappointed for another year "to pursue its endeavors and to work out a modified plan, entailing a less burdensome budget than originally suggested."[37]

In 1946, the convention devoted one of its sessions to a panel discussion on guaranteed loan provisions of the Servicemen's

Readjustment Act (G.I. Bill of Rights).[38] The following year a panel discussion on bank pension, retirement, and profit-sharing plans attracted much attention and elicited a number of questions.[39] In 1948 a public relations panel and clinic held "the leaders and others who joined in the discussion of public relations in all its phases for more than three hours, concluding with a motion picture film visualizing the routine of public relations in practice."[40]

In the early years the annual meetings were held for only one day and were devoted to addresses, discussion, and business. The thirteenth annual convention was held in Atlanta, Georgia, at the invitation of the Atlanta Clearing House Association, June 11 and 12, 1906, and was the first convention to last two days and the only convention ever held outside Florida.[41] The 1912 convention was held at Key West in honor of the opening of the Florida East Coast Railway to that city. "The members of the Association enjoyed very much a trip from Key West to Havana and return."[42]

By 1913 the custom of an annual banquet on the closing night of the convention had become established. In that year the Jacksonville Clearing House served as host at the banquet which began at nine and was reported that: "At 2 o'clock the guests left the hall, voting the affair one of the most successful and thoroughly enjoyable occasions in the history of the Florida Bankers Association. . . ."[43]

At the 1917 meeting, held at St. Augustine, the entertainment included an afternoon ride to the potato fields at Hastings and a water carnival at St. Augustine on Friday with the annual banquet at the Hotel Alcazar on Saturday.[44] It is apparent from the treasurer's report for 1917 that the Association had begun to pay the cost of the convention as his report lists an item of $378 for that purpose.[45]

In the program of entertainment at the 1918 convention at Tampa, a boat ride and luncheon and an evening dance were listed for the first day, while a golf tournament and the annual banquet occupied the second afternoon and evening.[46] At the 1919 convention in Jacksonville entertainment for the first day included an afternoon ride on the St. Johns River to the packing plant of Armour & Company, where a full demonstration of the operation of meat packing was made. The bankers were guests

at a special vaudeville program at the Palace Theater in the evening. On the second afternoon the entertainment included an automobile ride to Atlantic Beach with the annual banquet at the Atlantic Beach Hotel.[47]

At Pensacola, in 1920, there was a golf tournament, banquet, oyster roast, and dance. The program for 1921, Miami Convention, stated under entertainment: "April 16th, 2:30 p.m. Autos across Causeway to Miami Beach, visiting the Aquarium, Smith and Hardie's Casinos, Roman Pools at Miami Beach Club; bathing and other sports; Buffet Luncheon at Miami Beach Club.

"Bring your Golf sticks; golf every afternoon at Miami Beach and Country Club Links." The annual banquet was held at the Hotel Urmey, with tickets sold for admission.

At the 1922 meeting in Gainesville the program included events for the ladies. In regard to the banquet it was noted that "Ladies will be present. The affair will be informal."[48] The University of Florida served a luncheon for 233 bankers and ladies; provided a military review of the cadet battalion for Governor Cary Hardee, a member of the Association; and in the evening the reception and banquet was held at the White House Hotel. The Association contributed $300 toward the cost of the banquet.

With a membership of 274, the 1923 convention at St. Petersburg attracted 275 persons. A "tacky dance" at the Huntington Hotel occurred the evening prior to the first day as well as a boxing match at the Hotel Biltwell. There were 171 in attendance at the annual banquet which cost the Association $513.[49]

Thus, the pattern for the annual two-day convention of the Association was established. From year to year there were variations, with additions to or deletions from the program of other years. In 1926, "the former presidents of the association were entertained at dinner at San Jose by Edward W. Lane, president, Atlantic National Bank. On this occasion the Past Presidents Club of the Florida Bankers Association was organized by the election of Mr. Lane as president; Cary A. Hardee of Live Oak, vice-president; Archie Livingston, secretary, and Haynes McFadden, assistant secretary. On motion of Dr. L. A. Bize of Tampa, Mr. McFadden was elected an honorary member. . . ."[50] For several years the annual dinner meeting of the Past Presidents was tendered by the incoming president; later

the meeting was a breakfast, and then a luncheon, and the annual meeting is now a tradition of the Association.

In 1928 the annual convention met at Tampa as guests of the Tampa Clearing House Association on April 13-15, and then spent April 17-18 in Havana, Cuba. Some 200 Florida bankers and guests made the trip to Havana and were presented to President Machado as part of the Cuban festivities.[51] Beginning in 1928, the annual banquet was given by some group or groups in the host city, or was shared on a pro rata basis by the Association. In 1933, because of the banking crisis the convention was held in the fall, and for one day only. In 1934, the convention returned to the two-day meeting. In 1937 the Executive Council agreed on the adoption of a $5.00 registration fee for each delegate or guest, not including wives of delegates, to cover the expenses of the convention, "and it was also thought that if the association could assist in defraying the costs of the annual conventions, banks in other cities would feel freer to invite the convention to meet with them."[52]

In 1938, the convention was held in the spring for the first time since 1932, a custom that has continued to the present. From 1946 to the present the annual convention of the Association has extended over three days. Most of the conventions of these years have been held on the lower east coast and lower west coast in alternate years: in 1951 at the Biltmore in Palm Beach; at St. Petersburg in 1952, Hollywood in 1953, and St. Petersburg in 1954.

In recent years the convention has opened with registration at noon on the first day and executive council and some committee meetings during the afternoon. Golf and other activities occupy the members with an early evening reception followed by a dance. The first session is held the morning of the second day and the afternoon given over to recreation followed by a reception. The second session follows on the third day with a reception and the annual banquet and installation of new officers. Various luncheons, committee meetings, and the annual meeting of the members of the American Bankers Association complete the program of the annual convention of the Association where the membership can meet in good fellowship and keep abreast of the continuing developments in commercial banking through addresses, reports, and formal and informal discussion.

5. ORGANIZATION AND MEMBERSHIP

Membership in the Florida Bankers Association is of three kinds: active, associate, and honorary. Active membership may include any national, state, savings bank or trust company qualified to engage in banking or trust business in the State of Florida. The annual membership dues of the Association in 1954 were on a graduated scale from $25.00 for any bank with capital, surplus, and undividued profits of $50,000 or less to $500.00 for any bank with capital, surplus, and undivided profits over $5,000,000 and the Jacksonville branch of the Federal Reserve Bank. Active members are, to all intents and purposes, commercial banks of the state engaged in general banking business. Associate members may be similar banks outside Florida, but have no vote in the Association. Associate members pay annual dues of $50.00 each.

Honorary members may be elected by a two-thirds vote of the delegates of a convention for one year. Neither associate nor honorary members may vote in Association meetings. Active members may send a delegate or delegates to the meetings of the Association, but each member has only one vote.

Through the years, since 1888, the Florida Bankers Association has adopted several constitutions and sets of by-laws. Under the constitution of 1940, the administrative officers of the Association included a president, a vice-president, a secretary, and a treasurer. All of these officers, except the secretary, are nominated and elected at the annual convention.[53] The choice and term of the secretary was made the business of the Executive Council.

By virtue of a tradition, established at the consolidation of the Association and the State Bankers Association in 1922, the office of president is filled alternately by a national banker and a state banker. Likewise, another tradition holds that the vice president shall succeed to the office of president. In 1947, this tradition which had been established in 1922 almost developed into a crisis. Thus, convention interest touched a high water mark in the question of James D. Camp's succession to the presidency. "An ancient precedent which has not been violated for twenty-odd years provides that national bankers and state bankers shall alternate as the association's principal officer. During his term of office as vice-president Mr. Camp's bank was con-

verted from a state charter to a national charter, which posed the issue. Jumping the gun when the election of officers came up as the next order of business, Mr. Camp resolved all difficulties by announcing his resignation as vice-president of the association. The nomination and election of Alfred McKethan as president immediately took place and Mr. Camp was thereupon elected vice-president for a second term by unanimous vote amidst cheers and frantic applause."

The administration of the affairs of the Association has been vested in the Executive Council composed of a representative of each sectional group, the last living president of the association, the president, vice-president, and treasurer. The representatives of the groups on the Executive Council have been elected so that national bankers and state bankers alternate as representatives. Section five of Article five of the constitution states that: "The Executive Council shall have full control of the general business of this association, cooperating with the president, secretary and treasurer; discharge the secretary and other employees at its discretion, supervise the business of the various departments, and shall have power to appoint committees for special purposes. The Executive Council shall hold at least one meeting each year; meetings of the Executive Council may be called by any three of its members or by the president of the Association."[54]

An amendment to Article five, adopted at the 1946 convention provided for representatives on the Executive Council from six regional groups and for a seventh representative "elected annually, nominated from the floor of the convention, and who shall be a state banker."[55] The last living president, president, vice-president, and treasurer were continued as members of the Executive Council under the 1946 amendment. The number of group representatives is now eight, corresponding with the congressional districts.

The election of officers occurs on the last day of the annual meeting, and they serve through the ensuing year with the president occupying the executive chair at the convention which closes his term of office. A complete roster of the presidents of the Association together with their home cities when elected and the city of the annual conventions of the Association is given in Table XXVII.

6. SECRETARIES OF THE ASSOCIATION

Little is known of the secretaries of the Association from 1889 to 1903. With the election of George R. De Saussure in 1904 a strong hand guided the affairs of the Association through its formative years until 1920. De Saussure was a vice-president of the Barnett National Bank and later the first manager of the Jacksonville branch of the Atlanta Federal Reserve Bank. From his extant reports there is ample evidence to show his interest in the Association and his devoted attention to the promotion of its affairs. In 1913, President F. N. Conrad stated in his annual address that: "The Florida Bankers Association rests upon a firm foundation, a structure which has been largely built by the efforts of your very efficient and capable secretary."

In 1920, Wilson O. Boozer, a vice-president of the American Trust Company and later of the Atlantic National Bank of Jacksonville, was elected secretary-treasurer and served in that capacity through 1934. Like his predecessor, Boozer gave unstintingly of time and effort to the affairs of the Association. In 1921 he served as secretary-treasurer of both the Association and the State Bankers Association and played a significant part in the amalgamation of the two groups in 1922.

In 1935, J. D. Camp, of the Broward Bank of Fort Lauderdale, was elected secretary-treasurer and continued in that office until 1939. Camp was succeeded by J. Carlisle Rogers, of the First National Bank of Leesburg. Under the constitution of 1940 the office of secretary-treasurer was divided. Rogers continued as secretary until the convention of 1947. As already noted the office of treasurer was made elective in 1940 and Wilson O. Boozer was elected as the first treasurer under the new constitution.

PAST PRESIDENTS
Florida Bankers Association

PHOTO

NOT

AVAILABLE

J. M. SCHUMACHER
1888 - 1889 - 1890
Jacksonville

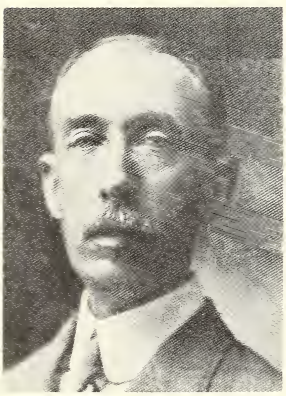
PHOTO

NOT

AVAILABLE

A. A. PARKER
1891 - 1892
Tavares

FRED W. HOYT
1893 - 1894
Fernandina



BION H. BARNETT
1895 - 1896 - 1897 - 1898
Jacksonville

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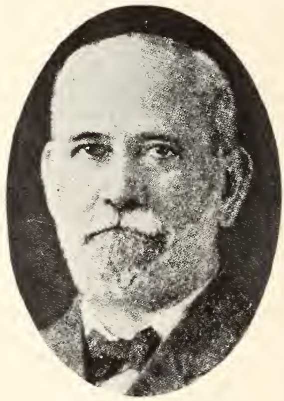
E. T. SHUBRICK
1899
Jacksonville



JOHN T. DISMUKES
1900 - 1901 - 1902 - 1903
St. Augustine

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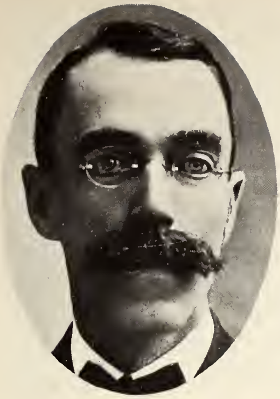
HENRY ROBINSON
1904
Jacksonville

EDWARD W. LANE
1905
Jacksonville

GEORGE D. MUNROE
1906
Quincy

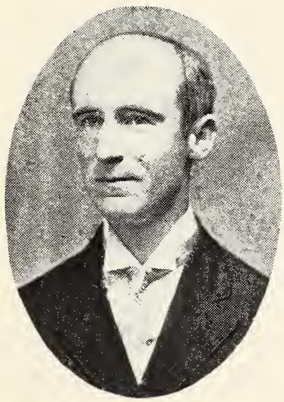


T. T. MUNROE
1907
Ocala

F. A. WOOD
1908
St. Petersburg

CARY A. HARDEE
1909
Live Oak

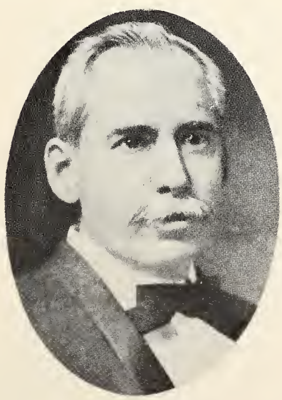
C. W. LAMAR
1910
Pensacola



F. F. BARDIN
1911
Lake Ctiy

GEORGE W. ALLEN
1912
Key West

S. A. WOOD
1913
DeLand



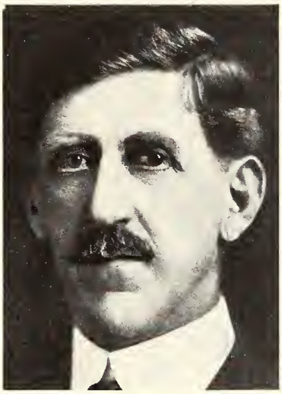
HENRY G. AIRD
1914
Jacksonville

A. S. WILLARD
1915
Palatka

F. N. CONRAD
1916
Daytona

LINCOLN HULLEY
1917
DeLand

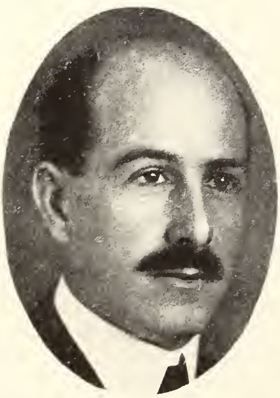
J. A. GRIFFIN
1918
Tampa



FORREST LAKE
1919
Sanford

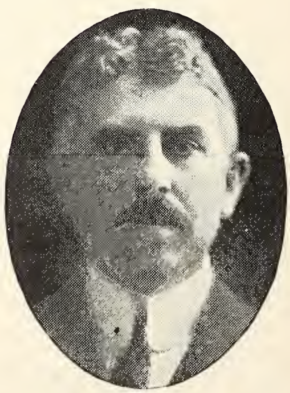
GEORGE G. WARE
1920
Leesburg

ARCHIE LIVINGSTON
1921
Madison



LOUIS A. BIZE
1922
Tampa

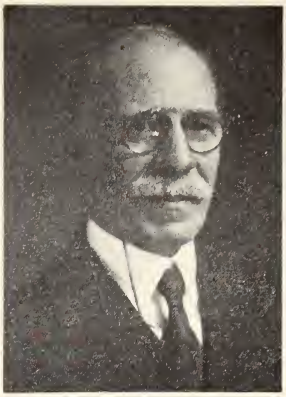
GILES L. WILSON
1923
Jacksonville



J. R. ANTHONY
1924
Jacksonville

W. R. McQUAID
1925
Jacksonville

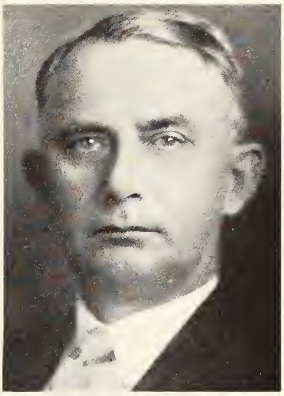
J. H. THERRELL
1926
Ocala



J. SIMPSON REESE
1927
Pensacola

FRED P. CONE
1928
Lake Ctiy

R. J. BINNICKER
1929
Tampa



D. M. LOWRY
1930
Tallahassee

GEORGE L. ESTES
1931
St. Augustine

S. D. CLARKE
1932
Monticello

W. A. REDDING
1933
Jacksonville

WILLARD HAMILTON
1934
Orlando

JOHN T. CAMPBELL
1935
Bradenton

S. W. ANDERSON
1936
Quincy

GEORGE B. HOWELL
1937 - 1938
Tampa

J. H. SCALES
1939
Perry

LINTON E. ALLEN
1940
Orlando

GEORGE E. LEWIS
1941
Tallahassee

J. LEROY DART
1942
Jacksonville

W. W. McEACHERN
1943
St. Petersburg

V. H. NORTHCUTT
1944
Tampa

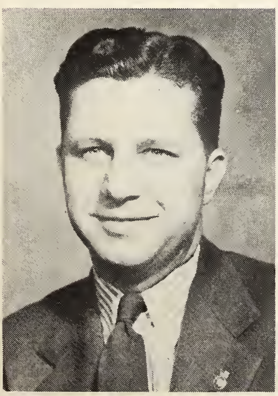
S. E. TEAGUE
1945
Tallahassee

FRANK W. NORRIS
1946
Jacksonville

A. A. McKETHAN
1947
Brooksville

J. D. CAMP
1948
Fort Lauderdale

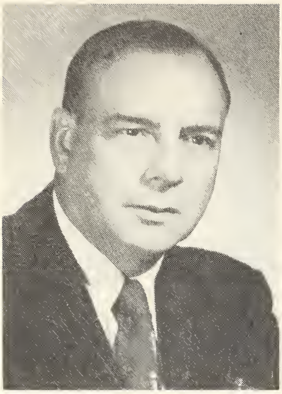
W. E. ELLIS
1949
Ocala



J. C. ROGERS
1950
Leesburg

J. E. BRYAN
1951
St. Petersburg

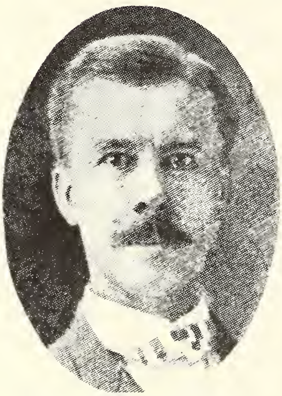
GODFREY SMITH
1952
Tallahassee



HENRY C. COLEMAN
1953
Daytona Beach

C. J. KIMBALL
1954
Miami

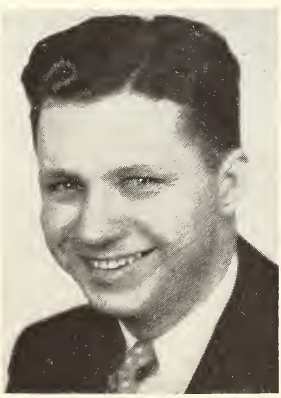
SECRETARIES—PAST AND PRESENT



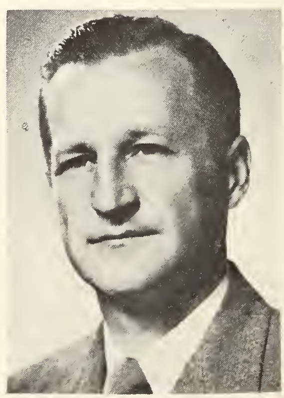
GEO. R. DeSAUSSURE
1904 — 1919

WILSON O. BOOZER
1920 — 1934

J. D. CAMP
1935 — 1938



J. CARLISLE ROGERS
1939 — 1947



FLOYD M. CALL
1947 —

TABLE XXVII

PRESIDENTS AND PLACES OF MEETINGS OF THE FLORIDA BANKERS ASSOCIATION

President	*Home City When Elected*	*Year*	*Place of Meeting*
J. M. Schumacher	Jacksonville	1888	Orlando
J. M. Schumacher	Jacksonville	1889	Jacksonville
J. M. Schumacher	Jacksonville	1890	Jacksonville
A. A. Parker	Tavares	1891	Ocala
A. A. Parker	Tavares	1892	Jacksonville
Fred W. Hoyt	Fernandina	1893	Jacksonville
Fred W. Hoyt	Fernandina	1894	Jacksonville
Bion H. Barnett	Jacksonville	1895	Jacksonville
Bion H. Barnett	Jacksonville	1896	Jacksonville
Bion H. Barnett	Jacksonville	1897	None Held
Bion H. Barnett	Jacksonville	1898	None Held
E. T. Shubrick	Jacksonville	1899	None Held
John T. Dismukes	St. Augustine	1900	Orlando
John T. Dismukes	St. Augustine	1901	None Held
John T. Dismukes	St. Augustine	1902	None Held
John T. Dismukes	St. Augustine	1903	Jacksonville
Henry Robinson	Jacksonville	1904	Atlantic Beach
Edward W. Lane	Jacksonville	1905	Atlantic Beach
George D. Munroe	Quincy	1906	Atlanta, Georgia
T. T. Munroe	Ocala	1907	Atlantic Beach
F. A. Wood	St. Petersburg	1908	St. Petersburg
Cary A. Hardee	Live Oak	1909	Live Oak
C. W. Lamar	Pensacola	1910	Pensacola
F. F. Bardin	Lake City	1911	Ocala
George W. Allen	Key West	1912	Key West
S. A. Wood	DeLand	1913	Jacksonville
Henry G. Aird	Jacksonville	1914	Lakeland
A. S. Willard	Palatka	1915	Palatka
F. N. Conrad	Daytona	1916	Daytona
Lincoln Hulley	DeLand	1917	St. Augustine
J. A. Griffin	Tampa	1918	Tampa
Forrest Lake	Sanford	1919	Jacksonville
George G. Ware	Leesburg	1920	Pensacola
Archie Livingston	Madison	1921	Miami
Louis A. Bize	Tampa	1922	Gainesville
Giles L. Wilson	Jacksonville	1923	St. Petersburg
J. R. Anthony	Jacksonville	1924	Orlando
W. R. McQuaid	Jacksonville	1925	W. Palm Beach
J. H. Therrell	Ocala	1926	Jacksonville
J. Simpson Reese	Pensacola	1927	Sarasota
Fred P. Cone	Lake City	1928	Tampa
R. J. Binnicker	Tampa	1929	Pensacola
D. M. Lowry	Tallahassee	1930	St. Augustine
George L. Estes	St. Augustine	1931	W. Palm Beach

President	Home City When Elected	Year	Place of Meeting
S. D. Clarke	Monticello	1932	Jacksonville
W. A. Redding	Jacksonville	1933	Orlando
Willard Hamilton	Orlando	1934	St. Petersburg
John T. Campbell	Bradenton	1935	Miami
S. W. Anderson	Quincy	1936	Tampa
George B. Howell	Tampa	1937	Tallahassee
George B. Howell	Tampa	1938	Hollywood
J. H. Scales	Perry	1939	Jacksonville
Linton E. Allen	Orlando	1940	Palm Beach
George E. Lewis	Tallahassee	1941	Hollywood
J. LeRoy Dart	Jacksonville	1942	Pensacola
W. W. McEachern	St. Petersburg	1943	Jacksonville
V. H. Northcutt	Tampa	1944	Jacksonville
S. E. Teague	Tallahassee	1945	None Held
Frank W. Norris	Jacksonville	1946	Palm Beach
A. A. McKethan	Brooksville	1947	Boca Raton
J. D. Camp	Ft. Lauderdale	1948	St. Petersburg
W. Earl Ellis	Ocala	1949	Miami
J. C. Rogers	Leesburg	1950	Bellair
J. Edwin Bryan	St. Petersburg	1951	Palm Beach
Godfrey Smith	Tallahassee	1952	St. Petersburg
Henry C. Coleman	Daytona Beach	1953	Hollywood
Comer J. Kimball	Miami	1954	St. Petersburg

STATE BANKERS ASSOCIATION OF FLORIDA

Forrest Lake	Sanford	1918	Tampa
George E. Nolan	Miami	1919	Jacksonville
J. D. Watkins	Micanopy	1920	Pensacola
Louis A. Bize	Tampa	1921	Miami
Consolidated with Florida Bankers Association		1922	Gainesville

ATTENDANCE AT RECENT CONVENTIONS OF FLORIDA BANKERS ASSOCIATION

Year	Total Registration	Ladies Registration	Hotel Registration	Banquet Attendance
1947	547	132	....	....
1948	550	127	....	....
1949	425	105	....	....
1950	501	164	....	....
1951	495	142	418	550
1952	675	216	450	667
1953	691	217	530	836
1954	811	278	593	745

The question of whether the Association should have a secretary to devote full-time to the work was part of the formal dis-

cussion at the 1920 convention of the Association.[56] There is no doubt that the question was raised informally in later years, but no action was taken until the 1946 convention adopted a resolution to employ a full-time secretary to serve as executive manager of the Association. The 1946 meeting agreed that there would be great advantage in the employment of an executive secretary to meet the problems of the Florida association in the same manner as had been done by similar groups in other states.[57]

In January, 1947, the Association employed Floyd M. Call, a former bank examiner, an executive of the American Bankers Association, and an army colonel in World War II, as executive secretary.[58] Call worked with Carlisle Rogers in Leesburg for two months before establishing a state office in Orlando where he has continued to serve as executive secretary. In 1954, the Florida Bankers Association received a charter as a corporation and Call was given the new position of Executive Manager.

7. GROUP AND LOCAL ORGANIZATIONS

A distinctive segment of the present organization of the Association is the division of the membership into eight groups geographically divided by counties. The group plan of organization was adopted in a resolution passed at the 1916 convention. Secretary De Saussure reported in 1917 that: "the Chairman of the Executive Council and myself have established the four groups, as directed in said resolution; Group I was organized by Mr. R. W. Goodhardt, of Pensacola; Group II by Mr. C. S. L'Engle of Jacksonville; Group III by Mr. G. G. Ware of Leesburg; and Group IV by Mr. H. H. Root of Plant City. I am glad to report that these groups were successfully organized, and it is my opinion that the foundation has been laid for very useful and constructive work by each."[59]

The purpose of the group organization was to increase the membership of the Association, arouse interest in practical and local matters, and to provide opportunity to discuss problems in small groups. At the convention in 1917 the president called for the group reports and a response was made from each group. The West Florida group had organized at Tallahassee with twenty-five banks represented. The keynote of the meeting was to adopt means to build up communities by cooperation and

coordination. The result of the meeting was the appointment of three committees: one, to introduce better blooded cattle; another to secure a soil expert and have soil analysis made; and the third for the purpose of adopting methods by which all products of the community could be properly marketed.[60]

Group II, which organized at Jacksonville with nineteen present, heard papers on public utility auditing and "accommodation paper." Chairman L'Engle reported: "We were fortunate in having present E. D. Durham, Manager of Onarga Bank, Onarga, Ill., and William George, President, Old Second National Bank, Aurora, Ill., who had been Presidents of the State Bankers Association of Illinois. They both made enthusiastic talks on the benefits of Group meetings and cited examples of what benefits had accrued to the State of Illinois through the group meetings there."

Chairman Ware reported the organization of Group III at Orlando and Chairman Root the organization of Group IV at Tampa, with thirty-five banks represented. "We had with us at the meeting Mr. Giles L. Wilson, Chairman of the Executive Council of the Association . . . We decided that the Group meetings were of so much benefit, that we would hold them semi-annually instead of annually. It was recommended at the meeting that all banks present urge upon all the farmers in their communities the raising of more cattle and feed stuffs in view of the present conditions which have arisen."[61]

The group organization adopted in 1916 provided for four groups, with group presidents and secretary-treasurers, holding annual meetings. The system early proved successful, on the basis of the annual convention reports. The number of groups was subsequently increased to five, then six, and finally eight—the present number. The Association constitution, Article IV, prescribes that: "Each group shall hold a fall meeting and a spring meeting each year, the dates for which shall be set by the president with the advice and consent of the group chairmen. At the spring meeting each group shall elect its chairman, vice-chairman, and its representative on the Executive Council of this Association, all of whom shall be an officer or director of a bank which is a member in good standing of the Florida Bankers Association."[62]

Within recent years the semi-annual group meetings have begun with a business meeting in the late afternoon followed by a social hour and dinner. An outside speaker has often given an after-dinner talk along with other short talks from the president and executive manager of the association who usually attend most of the group meetings.

The local groups are usually informal and most often operate only on special occasions. Local groups are generally located in areas in which a clearing house operates.

Examples of the informal local groups are the Unit Bankers of West Florida and the Unit Bankers of Central Florida. The West Florida group is composed of banks in the area of the state from Jefferson County westward through Escambia County, exclusive of members of the Bank Groups. The West Florida Unit Bankers hold semi-annual meetings for discussion of problems peculiar to their section of the state as well as to gather informally for social purposes. The Unit Bankers of Central Florida group was organized at Ocala in April, 1937, and continued to hold quarterly meetings for discussion and social intermingling until 1942, when the organization became a casualty of World War II.

8. RELATIONS WITH THE AMERICAN BANKERS ASSOCIATION

No formal relation exists between the American Bankers Association and the Florida Bankers Association, however, liaison does exist between the two associations and many Florida bankers have served and continue to serve as officers of the national association and the state association. The relations of the Florida Bankers Association with the American Bankers Association have been on two planes. At the lower plane almost all the members of the state association have also maintained membership in the national association. In fact, by 1952, W. Earl Ellis, vice-president of the American Bankers Association for Florida, reported that " in our state of Florida every bank is a member of the American Bankers Association."[63]

The Florida representation among the various offices in the national association has varied from year to year. In 1913 the Florida Association elected the following officers to the national

group: member of the executive council of the American Bankers Association from Florida, vice-president from Florida, delegate from Florida, vice-president trust company section, vice-president savings bank section, and vice-president clearing house section.[64] With the passage of years the Florida representatives in the American Bankers Association have been changed until they are, at present: member executive council, state vice-president, member nominating committee, and alternate member nominating committee.[65]

At virtually every annual convention of the Florida Association, one of the Florida representatives of the national association has made a report of his attendance at the national convention and of the activities and services of the national group. Thus, at the 1952 meeting the vice-president of the national group for Florida, W. Earl Ellis, spoke on activities in a talk titled "ABA in Action."[66] This report was similar, in many respects, to the report of John T. Dismukes, member of the executive council of the national group in 1913, who gave an account of his "attendance upon the meeting of the American Bankers Association, at Detroit, Michigan, in September, 1912."[67] A similar report was made the following year by J. A. Griffin of Tampa, and in 1918 by Henry G. Aird of Jacksonville.

The relationship of the Florida group with the national group has also extended in the other direction. Many of the officers of the national group have appeared as guests and as speakers on the programs of the annual meetings. At the 1919 convention, Fred E. Farnsworth, General Secretary of the American Bankers Association, spoke at length on the wide scope of the activities of the American Bankers Association of national, state, and local benefit.[68] In the intervening years a large number of the national officials have followed; thus, in 1952, C. Francis Cocke, national president, spoke on "Activities of Country Dominated by Political Tensions of World" at the convention which assembled at St. Petersburg.

One of the sessions at the annual convention is devoted to a meeting of the members in Florida of the American Bankers Association. For many years this meeting was set aside for the purpose of electing the Florida representatives in the national group.[69] More recently this annual session has also served as an opportunity for the State Vice-President for Florida to enumerate

the activities of the American Bankers Association as well as for the annual election of officers. Thus, in 1952, W. Earl Ellis of Ocala "reviewed the auxiliary services provided by the American Bankers Association in collaboration with the Florida Bankers Association, including literature on agriculture, forestry, bank operation, investment policies, federal legislation and in other fields."[70]

As presently organized, Florida bankers may be represented in several professional organizations: in the informal local groups, such as the Unit Bankers of West Florida; in the eight district groups of the Florida Bankers Association; and in the State Association itself. Thus, at the state and local level three areas of representation are available. And lastly, at the national level, every Florida banker may be represented through membership in the American Bankers Association.

NOTES — CHAPTER XVII

1. Bion H. Barnett, "Early Banking Days in Florida," *Proceedings, 1924*, 31. (*Proceedings* indicate the annual *Proceedings* of the conventions of the Florida Bankers Association).
2. *Proceedings, 1919*, 26.
3. *Proceedings, 1893*, 2, 35.
4. *Proceedings, 1924*, 31.
5. *Ibid., 1893*, 15; *1919*, 26.
6. *Ibid., 1893*, 10-11.
7. *Ibid.*, 11.
8. *Ibid., 1919*, 26.
9. *Proceedings* for each year noted.
10. Secretary-Treasurer's reports, *Proceedings*.
11. *Ibid.*
12. *Ibid., 1922.*
13. *Ibid., 1913*, 81.
14. *Ibid., 1919*, 97.
15. *Ibid., 1922*, 2.
16. *Ibid., 1917*, 26-27.
17. *Ibid.*, 118.
18. *Proceedings of the Second Annual Convention of the State Bankers Association of Florida, 1920*, 38; W. O. Boozer to Floyd M. Call, letter of December 29, 1953.
19. See annual *Proceedings, 1920,1922.*
20. *Proceedings of the Florida Bankers Association, 1922*, 32.

21. *Ibid.*
22. *Ibid.*, 1, 3.
23. *Proceedings, 1919*, 26.
24. *Proceedings, 1913*, 10-14.
25. *Annual Proceedings;* F. M. Call to author, November 15, 1954.
26. *Proceedings, 1919*, 27.
27. *Proceedings, 1913*, 67.
28. *Ibid., 1917*, 112-118.
29. *Ibid., 1923*, 15-19, 27-32.
30. *Ibid., 1927*, 2, 36-37.
31. *Ibid., 1930*, 23-27.
32. *Ibid., 1931*, 1, 29.
33. *Ibid., 1933*, 3.
34. *Ibid., 1934*, 25-26.
35. *Ibid., 1935*, 20-30.
36. *Ibid., 1936*, 4.
37. *Ibid., 1937*, 6, 30-34.
38. *Ibid., 1946*, 26-33.
39. *Ibid., 1947*, 37-40.
40. *Ibid., 1948*, 2.
41. *Ibid., 1919*, 27.
42. *Ibid.*, 28.
43. *Ibid., 1913*, 87.
44. *Ibid., 1917*, 80-81, 119-120.
45. *Ibid.*, 23.
46. *Ibid., 1918*, 6-7.
47. *Ibid., 1919*, 108-109
48. Convention programs for 1920-1922.
49. *Proceedings, 1922, 1923,* 16.
50. *Ibid., 1926*, 1.
51. *Ibid., 1928*, 3-4.
52. *Ibid., 1937*, 30.
53. *Ibid., 1940*, 14. The 1940 constitution and the by-laws, as adopted, were printed in the *Proceedings* of the 1940 convention. A number of amendments have been made since 1940.
54. *Proceedings, 1940*, 14.
55. *Ibid., 1946*, 4.
56. *Program, 27th Annual Convention, 1920*, 5.
57. *Ibid., 1946*, 2.
58. *Ibid., 1947*, 43.
59. *Ibid., 1917*, 23.
60. *Ibid., 47.*

61. *Ibid.*, 49-50.

62. Constitution and By-Laws, as revised 1952, *Florida Bank Directory, 1953, XXIV.*

63. *Proceedings, 1952,* 25.

64. *Ibid., 1913,* 2.

65. *Florida Bank Directory, 1953, XIV.*

66. *Proceedings, 1952,* 16, 25.

67. *Ibid., 1913,* 29-31.

68. *Ibid., 1952,* 7-8.

69. *Proceedings, 1913,* 54; *1917,* 118; *1918,* 103-104; *1919,* 105-107.

70. *Ibid., 1952,* 31.

Chapter XVIII

ACTIVITIES OF THE FLORIDA BANKERS ASSOCIATION

Beyond the advantages offered by the Association to the membership in the interchange of ideas, discussion, personal acquaintanceship, molding of policies, and the stimulation of personal meetings at the annual conventions, there have been many other advantages enjoyed by member banks even when attendance at the annual affairs or group meetings is impossible. In addition to the activities of the Association on behalf of its members, a large amount of activity of the committees has been accomplished for the general welfare of the people of Florida.

I. ACTIVITIES ON BEHALF OF MEMBERS:

1. The Legislative Committees

In the president's annual report to the 1893 convention of the Association, Frederick W. Hoyt suggested an amendment to the Constitution and By-Laws of the Association "providing for the appointment by the Executive Committee of a committee to be known as the Legislative Committee, whose duty it shall be to note the progress of all State legislation that may affect the interest of banks, and to have authority to furnish information to the Legislature upon such questions, and to represent this Association before the State Government in all matters pertaining to legislation in regard to banks. Such a committee, I think, could be of great service to the State officials, as well as of benefit to the Association. I have observed that several of the State Associations have such committees. The members of the committee, if appointed, should in no sense be what is commonly known as lobbyists but should present plainly and practically to the Legislature the views and wishes of this Association upon intended or desired legislation. The actual expenses of such a committee should be paid by the Association."[1]

The 1893 convention amended the Constitution as Hoyt suggested and the Executive Committee appointed John N. C. Stockton of Jacksonville, Edward S. Crill of Palatka, and William L. Palmer of Orlando as a Legislative Committee.

By 1913, the legislative committee was holding several meetings a year, especially in the years of regular legislative sessions, "for the consideration of matters looking toward the enactment of new laws and the amendment and improvement of some of our present laws as regards banking and credits . . ."[2] The legislative committee, composed of Henry G. Aird, Arthur F. Perry, and Thomas S. Dismukes, had retained the services of Attorney Francis P. Fleming, in the preparation of bills relating to the disabilities of married women, garnishment cases, and the regulation of the sale of securities. The committee reported that the chairman "spent several days in Tallahassee since the beginning of the session of the Legislature in the interest of the several bills of your Association."[3] The Legislative Committee of this year had as members: A. P. Anthony of Jacksonville, H. H. Root of Plant City, and Z. C. Chambliss of Ocala.

In 1917, the Legislative Committee, composed of H. G. Aird of Jacksonville, George E. Lewis of Tallahassee, W. R. McQuaid of Jacksonville, J. A. Griffin of Tampa, and L. C. Register of Tampa, filed a long report. The committee reported the following bills had been submitted to the 1917 Legislature: Uniform Warehouse Receipt, Relating to Notaries Public Affiliated with Banks, Relating to Payment of Deposits in Two or More Names, Relating to Payment of Deposits in Trust, Relating to Disabilities of Married Women, and Relating to the Crime of Burglary with Explosives.[4] "Your committee has employed a Reporter's Service at Tallahassee to keep it thoroughly informed as to the progress of the bills it is interested in passing, and the passage of any adverse banking legislation which may be introduced." The practice of employing a reporting service during legislative sessions has continued until the present time.

For several years the complete text of bills recommended by the Legislative Committee were printed as a part of the annual report in the Proceedings of the Conventions. In convention years following legislative sessions the enacted laws were likewise appended to the report and appeared in the *Proceedings*.

By 1918 the Legislative Committee was well established in promoting a broad program for the banking business and protection against criminal operations directed toward bank interests. The outstanding achievement of the committee at the 1917

Legislature, as reported by the members, was the defeat of several guaranty deposit bills and restrictive investment bills.[5]

In 1919 the convention reiterated the previous stand against any legislation guaranteeing deposits and took a new stand against any change in legislation affecting existing rates of interest. Both the president and the convention complimented the legislative committee for "the work they have done."[6] The group also went "on record as being in favor of a bill fixing the homestead exemption at a sum not to exceed $2,500 real and personal property" in Florida.[7]

In the period from 1893 to 1922 the pattern of action for the Legislative Committee was well established. Thus, the 1922 committee could state: "The line of our activities decided upon was to oppose all vicious legislation affecting banking, and to encourage the passage of such bills as would be beneficial to any of the banks in the state, whether national or state institutions." Members of the committee were numbered among the membership of both houses of the 1921 Legislature which no doubt aided in implementing the work of the committee.[8] In addition, the Association underwrote the expenses of this committee, by 1922, with an annual appropriation of $500.

By 1931, with the onset of the depression of the 1930's, the Legislative Committee of the Association was more active than usual in introducing bills strengthening and clarifying the banking laws of the state. The committee was equally active in opposing other bills proposed which sought to cure economic ills through various panaceas. Thus, at the 1931 sessions of the Legislature influenced the introduction of fifteen bills and opposed at least sixteen others. The 1931 committee, composed of J. H. Therell, Ocala, chairman; J. H. Scales, Perry; F. P. Cone, Lake City; W. R. Porter, Key West; and J. S. Reese, Pensacola, reported: "From the current political agitation sweeping the state, it is a foregone conclusion that the next session of the Legislature will again be swamped with bills seeking to cure all the ills from which the body politic may be suffering by imposing penalities and restrictions upon the banking business . . ."[9]

The work of the Legislative Committee constitutes a never-ending source of committee employment. With the continued growth of the state and the changes in economic life the Legis-

lative Committee functions on an annual basis. As early as 1944 there was recognition that the banking laws of the state were in need of recodification. In that year, President V. H. Northcutt appointed W. W. McEachern as chairman of a special committee to study the codification of banking and trust laws.[10] The 1948 convention of the Association adopted a resolution that another committee be appointed to confer with the State Comptroller for the purpose of resuming a study and ways and means of recodification.[11] In response to the resolution, J. W. Shands of Jacksonville was made chairman of a special committee and stated the following year that the group believed the work should be advanced under the auspices of the Comptroller with the aid of a legal draftsman who might be employed by the Association.[12]

The work of the Recodification Committee began in earnest in 1951-1952 with a committee appointed by J. E. Bryan of St. Petersburg. In his annual report for those years Chairman Julian E. Fant of Jacksonville stated that the committee was using the Model Banking Code of the American Bankers Association as a basis for the new Florida code and that copies of the preliminary revisions were sent to all of the banks in the state for suggestions as to changes.[13]

The Recodification Committee received the assistance and cooperation of the banking department of the state comptroller's office and the statutory revision department of the attorney general's office. "The Committee was a broad one, consisting of state and national bankers from rural and city banks, and meetings were held at regular intervals covering a period of two years. . . . The existing law was reviewed section by section and where clarifying changes were required they were made, duplications were eliminated and through consolidation of some sections excess verbiage was eliminated, some provisions of the American Bankers Association Model Code were integrated into the law, and desirable sections from other state laws were also included. In the completed Code sixty-six per cent of the total sections of the code represented existing statutes with little change in substance; 13 per cent represented existing statutes with major substantive changes and 21 per cent represented new material."[14]

The bill embracing the revised banking code was introduced into the 1953 session of the Legislature and, with a few minor

changes, was enacted into law, becoming effective on August 4, 1953 as chapters 658-661 of the Florida Statutes.[15]

The work of the Legislative Committee has continued from year to year, preparing legislation in the off-session years of the Legislature and working for the passage of the legislation during the regular and special sessions. Chairman W. E. Ellis summarized this work, when he wrote in 1951: "Your FBA Legislative Committee will be active in your behalf not only in the furtherance of some sound banking legislation which our committee has agreed upon but also to counteract that kind of legislation which is inimical to the banking fraternity."[16]

2. Education Committee

The Florida Bankers Association had been organized for many years before a formal education committee was appointed. However, the improvement of persons in the banking profession through self-education began in Jacksonville in 1905 when a chapter of the American Institute of Bank Clerks was first organized.[17] In 1919, George R. De Saussure recalled "that this Institute has given to Jacksonville some of the best banking talent in the city. I consider the boys in this city who have taken this course and gotten their certificates as the most capable banking men today in the city."[18]

At the 1919 annual meeting, L. A. Perkins, Jr., Consul of the American Institute of Banking, Jacksonville, outlined the standard and post-graduate study courses of this education section of the American Bankers Association. Perkins noted the aims of the Institute: the education of bank employees and education of the public on banking. He expressed the hope that the time was "not far distant when the Florida Bankers Association . . . will number among its committees one on education. In the meantime there is much which each of you can do in your own home town, among your own bank boys. Be assured that the Jacksonville Chapter will gladly cooperate with you . . . and I hope that by the meeting of this Association next spring, Jacksonville will not have the distinction of having the only chapter of the American Institute of Banking in the State."[19]

In 1936, the Association, under the leadership of President John T. Campbell of Bradenton, raised the dues fifty per cent for

the double purpose of equipping the Library of the University of Florida and of defraying the expense of a bank-study survey by a bank research committee. This committee, and its reports, have been previously referred to in another connection. By 1938, however, the committee became known as the Educational Committee and in that year organized and sponsored a four-day conference or banker's short course at the University of Florida, June 7-10. This short course was held in cooperation with the General Extension Division of the University and attracted a total registration of fifty-two representatives from national banks and thirty-six from state banks.[20] Committee Chairman George Ware stated that: "We feel the conference was a complete success, as exemplified by the vote of those attending." Succeeding short courses were held annually from 1938 through 1941 and constituted the major work of the Educational Committee. One post-war short course was held in 1947 in Gainesville at the University of Florida.

In 1948 the Educational Committee inaugurated the first Bank Executives Forum at Daytona Beach in May. Five topics were presented on five days, one each day, as follows: The Outlook for Banking, Government Securities, Installment Loans, How to Get New Business and Keep It, and Machines and Systems. The Committee reported: "We were extremely gratified when the average daily attendance at the forum amounted to 80 executives."[21] Chairman Frank Sherman announced plans to develop the forum into an annual affair since the reaction of those who attended was highly favorable. He said: "We bankers need to go back to school periodically."

The activity of the Educational Committee in recent years has followed three lines: the promotion of the annual Bank Executive Forum in the spring, the promotion of the activities of the American Institute of Banking, and promotion of attendance at banker graduate schools. In 1950-1951 Chairman Henry C. Coleman of Daytona Beach announced the establishment of three new AIB Chapters: Broward County, Daytona Beach, and Lake-Sumter Counties. In the same period Florida's membership in the national Institute increased twenty-five per cent and enrollment in Institute classes likewise increased.[22] In 1951-1952 Coleman reported the membership in Florida Institute chapters at 2,281, and four new study groups with an enrollment of 157 students.[23]

In 1954, American Institute of Banking Chapters were designated as follows: Broward County (Fort Lauderdale), Central Florida (Orlando), Daytona Beach, Jacksonville, Lake-Sumter Counties (Leesburg), Miami, Palm Beach County (Palm Beach), Pensacola, Pinellas County (St. Petersburg), Tampa, Polk County (Lakeland). In addition to these eleven Chapters presently in existence there are, also, ten Study Groups which organizations are one step removed from the Chapter category. The latter perform very much the same function as Chapters except their organization is not formalized.

3. Public Relations Committee

Another standing committee created by the 1940 constitution of the Association was the Public Relations Committee. The 1940 convention adopted a resolution to the effect that: "this committee be instructed to formulate plans for a long-range program of public relations for the banks of Florida, looking to the creation of a better understanding between the banks and the public."[24]

The first public relations committee, appointed by President Linton E. Allen in 1940 was composed of Stephen H. Fifield of Jacksonville, Chairman, E. P. Taliaferro, J. D. Camp, R. E. Conn, W. W. McEachern, George H. Brannen, and George E. Lewis, II. Chairman Fifield, in his 1941 report, outlined the activity of the committee whose major work was the presentation of a public relations program at five regional group meetings, from Pensacola to Miami, in five days. "More than 90 per cent of the senior officers of the Florida banks attended these regional group relations conferences. One hundred fifty of the 165 banks of the state were represented . . . bankers were confronted with two great questions: (a) How can we make our banking system more useful in the development of Florida; and (b) How can we, working with the banks of other states, make banking more serviceable to the nation?"[25]

In 1941-1942, the Public Relations Committee adopted three objectives: qualification of every Florida bank for the sale of defense bonds and stamps, payroll deduction purchase of bonds by bank personnel, and closer cooperation between the Association and the several chapters of the American Institute of Banking. Chairman W. W. McEachern of St. Petersburg reported 100 per

cent cooperation in objectives one and three and 60 per cent cooperation in objective two, a fine record for the year's work.[26]

In the post-world war II period the work of the Public Relations Committee was reactivated. Chairman J. Carlisle Rogers directed the activities of the committee in 1947-1949 when a five-point program was recommended. Pamphlets, speeches, and other materials were made available to member banks; a speakers bureau was organized; an educational course known as a "Posterama Program" for public school use was provided for banks to sponsor for local schools; and a public relations panel discussion was made a part of the program of the 1948 convention.[27]

The work of the Public Relations Committee in 1948-1949, under the chairmanship of J. Carlisle Rogers of Leesburg, was directed to two main projects dealing with young people. "We have found that for every single effort on the part of bankers the cumulative effort has been tremendous." The committee continued to offer the Posterama Educational Program for which 47 requests were received and 44 banks responded and provided the material free of charge to the schools in their communities. The second project was the maintenance of the speakers bureau with 33 requests received for speakers. Twenty-four banks reported a public relations program with some 152 talks delivered before school, civic, and service groups.[28]

The following year the Public Relations Committee, under J. A. Ansley, drafted a "Minimum Effort" public relations program. This program involving nine points, was mailed to each member bank with the request "to do more than this outline if possible, but, under no circumstances to do less."[29] Thirty-four banks reported participation in the "Minimum Effort" program.

In 1951 Chairman Ansley worked out a three point project: a public relations program, a "Know Your Bank Week," and textbook materials for high schools. By 1954, copies of the high school textbook, *Banks—What They Mean to Us*, produced by the Public Relations Committee, had been distributed through Florida banks to over 15,000 teachers and students. The Posterama program was presented before almost 10,000 boys and girls and 35 bankers spoke to almost 4,000 students.[30]

The activities of the committee, under the chairmanship of J. Lee Ballard of St. Petersburg, in 1951-1952, were a continuation of the work of previous years plus the promotion of employee package-vacations among industries in the northern states, through correspondent bank relations.[31]

4. Bank Management Committee

Under the chairmanship of George A. Ortagus the Bank Management Committee was organized in 1947. The committee concentrated effort in its first year toward the study, development, and promotion of sound banking practices among member banks in internal operations. The committee also considered the preparation of a schedule for the destruction of bank records.[32]

In its annual report, submitted in 1949, the committee noted that its efforts had been directed mainly toward the adoption of the simplified service charge plan proposed by the American Bankers Association. The committee carried forward and completed a Schedule for the Destruction of Records and several other studies on bank management.[33] In succeeding years this committee has continued the study of practices to introduce economy and efficiency into the management of member banks.[34]

5. Credit Policy Committee

In June, 1949, a Credit Policy Committee was organized for the benefit of the member banks of the Association. In its first report Chairman Linton E. Allen noted that the first statement of policy cautioned member banks against withdrawal of credit and urged the channeling of credit into areas that would increase production of needed goods and services. The committee recommended promotion of personal loans and installment credit as profitable areas of commercial banking.

The committee also began a study of substandard assets in Florida banks and of rulings of the Comptroller of the Currency that affected canned citrus products and bank loans on warehouse receipts.[35]

In 1950-1951, Chairman Allen reported that the Credit Policy Committee had studied a wide range of subjects. The primary subject of study concerned the problem of restraining inflationary tendencies in the extension of credit. The committee recom-

mended the screening of loan applications on the basis of *purpose* in addition to worth of credit and suggested that loans be made on the basis of their essential character to the economy. The committee also promoted a survey of church lending practices, a survey of Florida school bonds, and the adequacy of banking facilities in the growing communities of the state.[36]

During the year 1951-1952 the Credit Policy Committee summarized its work in an annual report covering seven major activities. Chairman Comer J. Kimball stated that these activities covered: support of a voluntary credit restraint program, opposition to the establishment of branch offices of savings and loan associations, expression of concern over the chartering of new banks, reevaluation of Florida municipal bonds for bank investment, circulation of studies on the necessity for securing adequate financial statements from borrowers, cooperation with Educational Committee in planning program of annual forum, and continuation of the support of the United States Defense Bond Program.[37]

The work of the Credit Policy Committee has continued to be directed toward the implementation of better loan and investment policies on the part of the member banks. Further, this committee has continued to develop means and methods to provide the membership with more accurate and more recent information on bonds and other investments.

6. Consumer Credit Committee (Installment)

The Consumer Credit Committee was organized in May, 1950, and under the chairmanship of J. G. Richardson of Ocala adopted a two-point goal: (1) to render assistance to banks in the field of consumer credit and (2) to encourage banks to extend consumer credit in a conservative and constructive manner. For 1950 the committee decided to seek improvement of the vehicle law, to promote standard terms and payments for installment credit, to disseminate information on unusual irregularities in lending, and to survey Florida banks engaged in this type of credit loans.[38]

The following year, 1952, Chairman James F. Adams reported that of 199 banks surveyed in Florida, 178 were participating in various types of installment financing. He noted that

160 of these banks were "willing to participate in skip and collection problems. Our Association office now has a record which can be ascertained promptly upon request."[39]

In 1951 the committee worked on the problem of more rapid service in the Motor Vehicle Commissioner's office in the acquisition of vehicle titles. After investigation the commttee recommended that the Commissioner's Office be removed from state politics and that this state official be given a free hand in order to secure more efficiency in the motor vehicle department.[40]

The committee also worked for the improvement of collection laws and sponsored a panel on consumer credit at the annual Executive's Forum, and reported that "total outstandings indicate that our banks are doing everything possible to service their community."

7. Competitive Banking Practices Committee

The Competitive Banking Services Committee was created in 1952 in an attempt to equalize financial and business relations between commercial banks and savings and loan associations. Plans for 1952 included action toward the prohibition of branches of federal savings and loan associations, toward the accomplishment of equality of taxation between commercial banks and savings and loan associations, and toward the correction of other inequalities between these types of Florida financial institutions.

In 1953 the committee continued its efforts toward publicizing the differences between commercial banks and savings and loan associations. The recommendation was also made that member banks re-examine interest rates on savings with a view to bringing such rates in line with local conditions. In 1954 the committee reiterated the policy and plans of previous years and instituted a long-term plan looking toward federal legislation for equalization which would prohibit the creation of a banking system in addition to the existing national banking and state banking systems.[41]

8. Community Service Committee

Under the auspices of this committee which was organized in 1953, a thorough study of the adequacy of bank service in Florida was anticipated. In 1954 the Community Service Com-

mittee continued its activities with deliberations in ascertaning ways and means, according to Chairman S. E. Warner, for the banking industry to provide needed services particularly in the metropolitan areas.[42]

9. Miscellaneous Activities

Protective Service

Many state bankers associations maintained a protective service where in case a member bank was defrauded, burglarized, or robbed the assistance of the association was readily given in detective work and legal proceedings. A beginning toward a protective service was made in 1917 when the secretary reported: "It has long been the desire of the Executive Council and myself to have some fund which we could use as a Protective Fund. By cutting down the cost of the banquets, and not using any wines or liquors, we have been enabled to accumulate a balance in the bank, therefore, I suggest that the Association set aside $500.00 as a Protective Fund . . ."[43]

Acting on this suggestion, the 1917 convention appropriated $500.00 for a protective fund and, further, added an article to the Association Constitution which offered a reward of $100.00 for the arrest and conviction of anyone attempting or committing a burglary upon a member bank.

At the 1918 convention J. A. Griffin of Tampa reported that vandals were cutting pasture and field fences in southern Florida and moved that the Association offer a reward of $250.00 for the arrest and conviction of such persons. After favorable discussion the motion was carried and the protective fund made liable for potential payment of rewards.[44]

The $500 set aside for a protective fund, however, was never put to use and in 1923 the secretary-treasurer was authorized to deposit the fund with the other moneys in the general fund.[45] The secretary gave the members "what service I could by notifying them of the operation of criminals in and near Florida whenever I received advice of such operations; and whenever it was a matter that would be put before the American Bankers Association I cooperated with their detectives."[46]

The effectiveness of the Association was well demonstrated in 1926, when intra-state express rates were raised almost fifty per cent. Secretary W. O. Boozer stated: "Your association officers, after appearing before the railroad commissioners of the State of Florida, were able to get the old rates reinstated over the urgent protests of the express companies. In the course of a year the savings to the banks of Florida will amount to several times the amount of the total annual dues of the Association."[47]

Pension and Retirement Committee

The Pension and Retirement Committee was also authorized at the 1947 convention. This effort was spearheaded by A. A. McKethan of Brooksville. After careful study, the Florida Bankers Association Pension Trust was placed in effect and made available for the membership at the end of the year. The plan provided pension and retirement programs for bank employees and their dependents plus the added security of an insurance policy in event of death of the employee before retirement. The pension committee secured an underwriting insurance company for the plan and also prepared a pamphlet which described the features of the plan for promotion purposes. Herman P. Langford of Orlando served as chairman of the committee which secured this benefit for the members of the Association.[48]

Legal Counsel

Because of the increasing complexity of conditions under which banks are operating, the Association retained Legal Counsel on a year-round basis for the first time in January, 1951. Broad legal questions on matters of banking operating policy as well as questions arising out of state and federal legislation are handled for member banks through the Association officials.

10. Trust Division

In 1928 the trust officers in Florida were interested in effecting changes in the probate laws and doing other things designed to bring trust business in Florida into a more prominent position. During that year the Florida Bankers Association adopted a resolution creating the Trust Section of the Association. The Chairman of the Trust Section was appointed by the President of the Asso-

ciation. The first Chairman was George B. Howell, then Trust Officer of the Exchange National Bank, Tampa.

In 1944, at the meeting of the Association in Jacksonville, the By-Laws of the Association were amended to provide for a separate Trust Division operating under its own officers and under its own By-Laws. W. W. McEachern, who promoted the idea as President of the Association, was elected the first Chairman of the Trust Division. Since 1944 the Trust Division has met twice a year for the transaction of business and the improvement of operating conditions. There were forty-five member banks with trust departments on June 30, 1954.

11. A Short History of Trust Business in Florida

Florida became a territory of the United States of America on February 22, 1821. The treaty was ratified by Congress on February 19, 1821, and proclaimed on February 22, 1821. Originally the Circuit Courts of the various counties had jurisdiction over the probate of wills and administraton of estates. An act of 1823 divested the Circuit Courts of probate jurisdiction and gave it to the County Courts. Article 5, Section 17, of the Constitution of 1885 stripped the County Courts of Probate power and vested it in the County Judge. In each county of the various states of the Union there is some tribunal over probate and administration. From the meager records available it appears that the Legislative Council of the territory of Florida enacted a statute approved February 14, 1835, incorporating Southern Life Insurance and Trust Company in St. Augustine, Florida. Presumably this is the first banking and insurance company to undertake the administration of estates and trusts for profit.

Florida's new constitution, adopted in 1845, contained restrictions which reduced all banks to places of exchange, discount and deposit. These restrictions were doubtless caused by failures of the territorial banks. The result, however, was that no new banks were organized for approximately ten years. The constitution provided that banks should not act as trustee in anywise. This situation resulted in a new general banking law passed in 1853. A few commercial banks were chartered beginning with the Bank of the State of Florida in December, 1855, and were operating at the outbreak of the Civil War in 1861. Banks were not yet authorized to carry on trust business.

The constitution of 1868, and the present one adopted in 1886, do not contain the banking restrictions of prior constitutions. The Banking Act of 1889 again authorized banks to exercise trust powers. The removal of restrictions and the new Banking Act of 1889 enabled Florida banks to better operate and their numbers increased thereafter. The Florida National Bank of Jacksonville was organized in 1905 and is the oldest existing trust institution in the state.

The period from 1911 to 1955, with all of its ups and downs, has been one of growth and development. In 1911 the legislature passed a trust company statute authorizing corporations to act in fiduciary capacities. The real growth and development of trust business began with this statute. State banks began applying for trust powers. The national banks not yet having authority to act in fiduciary capacity started organizing trust companies to compete with the state banks. In 1915 the Board of Governors of the Federal Reserve System issued Regulation "F" pursuant to authority contained in Section 11(K) of the Federal Reserve Act under which national banks may apply for trust powers. Thereafter it was not necessary for national banks to organize separate trust companies in order to do trust business in this state.

II. ACTIVITIES FOR THE GENERAL PUBLIC WELFARE:

1. Agricultural Committee

The importance of agriculture as a major segment of the economic enterprise in the community and the banker's relationship to agriculture has remained of constant interest throughout the history of the Association. In addressing the annual convention in 1893, G. C. Staplyton, president of the Leesburg and County State Bank, noted: "The success of a country bank depends primarily, of course, on the strength and stability of the foundation of the natural resources of the territory which it serves. With us in the great Lake Region of South Florida the orange is easily king, and he shares his monarchy with his royal consort, the lemon. . . . It must not omit mention of the shipments of early vegetables—notably beans, cabbage and tomatoes—all of which serve to maintain a portion of our population."[49]

The import of agricultural interests of Florida bankers is revealed in a survey of the addresses at the annual conventions of

the Association: 1905, "Naval Stores and Timber" by W. F. Coachman and "Fruits and Vegetables" by J. C. Chase; 1907, "Celery Industry" by J. F. Whitmer of Sanford; "Cultivation of Tobacco in Florida" by W. M. Corry of Quincy; 1909, "Sea Island Cotton" by A. W. McLeran of Wellborn; 1910, "The Everglades of Florida—Their Value to the State" by J. O. Wright of Jacksonville; 1914, "Rural Credits" by Senator Duncan V. Fletcher of Jacksonville and "The Relation of the Banker to the Farmer" by J. M. Thomas of Ocala; 1915, "Agricultural Credits" by T. C. Watts of Jasper and "Agricultural Development" by former Governor W. S. Jennings of Jacksonville; 1916, "The Cattle Industry of Florida, and its Future," by Dr. William F. Blackman of Winter Park and "Agricultural Work and Development" by J. A. Evans, Assistant Chief, U. S. Department of Agriculture.[50] Talks and addresses on agriculture and related subjects have almost become an annual feature of the convention. Thus, in 1947, Marvin H. Walker spoke on "The Problem of Establishing the Citrus Industry on a Profitable Basis" and M. L. Fleishel spoke on forestry as "Florida's Greatest Natural Resource: Its Relationship to Money in Florida's Banks."[51]

As early as 1913, Florida bankers were interested in improving the status of the cattle industry in the state. In that year Dr. Charles F. Dawson, of the State Board of Health, addressed the convention on the damages of the common cow tick to this old Florida industry which he estimated was causing damages of over $100 million a year in the South. Dawson outlined the program of cattle tick eradication and said: "Your Association can be made one of the most powerful agencies in the work. I do not mean the donation of money especially, but each one of you can join the cattle improvement committee that will be formed in your county, and thus give aid and encouragement to the farmer and the stockman, because he is wise enough to know that if a banker joins a thing of this kind, there's apt to be some money in it. It is a money-making scheme of the biggest kind, and I wish we could discover more methods of money-making that give the promise this does."[52]

By 1917, the Agricultural Committee had become one of the standing committees of the Association and reported at the April convention on its work. For 1916-1917 the Committee had two projects: Pig-Club Work and Tick Eradication. The Committee

reported that 350 pure-bred pigs had been financed by banks in eleven counties and that at the solicitation of the State Pig Club agent, the Committee had awarded a $200 scholarship as a state-wide prize. "Tick Eradication is a much larger undertaking and requires more time but much has been done."[53] Under work for 1917 the Committee recommended that one man in each bank read the "Banker Farmer" furnished to each member by the Secretary, demand a demonstration agent for each county, organize local county bankers agricultural committees, encourage all farmers to keep account books on farm business, and "Let all banks inquire into the condition of county schools and school-houses, some communities are buying high-priced bulls and farm machinery and using a $30.00 teacher."

In addition to the $200 scholarship for a boy, the Association also appropriated $200 for annual prizes for winners in the state Girl's Canning Club. In 1919, the Association began the practice of appropriating $300 annually for three $100 scholarships to go to a boy from West Florida, one from Middle Florida, and one from South Florida. These scholarships were to the State Agricultural College (University of Florida) and were "to promote high education in farming and stock-raising" and were awarded on the basis of competitive achievements and examinations.[54]

The Agricultural Committee, in its 1919 report, continued strong recommendations for the programs of promoting a higher standard of stockraising and tick eradication. The convention of that year, by resolution urged the Legislature to appropriate funds to the Florida State Fair and South Florida Fair for the offering of premiums and prizes, and publicity for the development of better methods of livestock-raising and agriculture in Florida.[55] The convention also went on record in support of the Florida laws guaranteeing the system of inspection under the Pure Spirits of Turpentine Act and indicated that any changes in the law "Would be a great injury to the naval stores business and a hindrance to the use of bank credits in connection with the conduct of naval stores business and in the shipment and export of naval stores."

By 1922, four of the ten agricultural scholarships (one of $200 and nine of $100) had been used. In each case the scholarship students had passed every hour of college work while the aver-

age of the four was eighty-seven per cent. In addition to repeating earlier recommendations, the Agricultural Committee pointed out that: "Our present supply of timber will only last a few years unless something is done. There ought to be and must be something done. . . . We think that some systematic effort should be made to reforest the large area of cut-over lands in our state."[56] In 1923 the convention recommended the creation of a State Board of Forestry to carry out State policy for fire control and reforestation of cut-over lands.[57]

Among the resolutions passed by the 1924 Convention the majority were related to agriculture: recommendation for a state forestry board, against the shipping of green citrus fruit, and continued support for county agricultural agents.

Under the auspices of the Agricultural Committee "a convention of bankers, farmers, and extension men from the experiment station, Gainesville," was held in Ocala on March 5, 1928. Among those in attendance was Dan H. Otis, Director of the Agricultural Commission of the American Bankers Association, who presented the program of work recommended to live stock farmers by the national group. John S. Edwards of Ocala, Chairman of the Florida Bankers Association Agricultural Committee, said "The convention was hailed by Mr. Otis and the others present as a real contribution towards the agricultural betterment of the state and one that will most surely bring the bankers and the farmers closer together."[58]

At the 1936 convention, R. W. Blacklock, State 4-H Club Agent of the University of Florida, reported on the program of the three $100 scholarships given each year since 1918 to promote boys' 4-H Club work in the state. Blacklock said: "We have awarded some fifty-four Bankers' Scholarships; and in most every case it was the first person in that family that ever went to college. We feel that the Florida Bankers Association has been a wonderful help in building some real worth-while agricultural leadership in the state of Florida."[59]

In 1941 the Agricultural Committee noted that the Association had been giving $300 a year for scholarships under the 4-H Club program and recommended that a similar assistance of $300 be given to the Future Farmers of America, or a total of $600 annually for both organizations.[60] The Association approved the

proposal and $300 in scholarships was awarded to each group, beginning in 1942.

In his report for 1942, Chairman W. E. Ellis of Ocala, of the Agricultural Committee, noted that bankers' support of promoting interest in general farming, but especially in the development of livestock. This was evidenced by widespread local support of fat stock shows, and the breeders' parade which visited most of the large registered herds of cattle in the state. "It is the wish of your Committee that each bank in the State of Florida render every possible service in the 'Food For Freedom' program, which has been handed down by the American Bankers Association."[61]

By action of the Executive Council of the Association in 1942 the amount of money for agricultural scholarships was increased to $1,000. In 1943 five $100 scholarships were awarded to five 4-H Club boys and five $100 scholarships were awarded to members of the Future Farmers of America. In the same year the Agricultural Committee continued the promotion of livestock production. President McEachern spoke to over 500 persons at the Southeastern Fat Stock Show in Ocala and "told of the interest of the Association and of Florida bankers in problems of cattlemen, such as improvement of herds and pastures, and predicted that Florida is destined to be one of the outstanding cattle states of the nation."[62]

At the 1948 Convention, Chairman C. H. McNulty of the Agricultural Committee was able to report that: "For its program devoted to the welfare of farm youth, for promotion of soil and water conservation, and for the high caliber of service rendered to farmers, growers, and ranchers by the banks of the State, the Florida Bankers Association at the meeting of the American Bankers Association in Atlantic City, New Jersey, received the coveted 1,000-point award of the Agricultural Commission of the American Bankers Association."[63] This was the eighth consecutive year that the Florida group won this award.

In 1948-1949 the Agricultural Committee continued the program of previous years with the addition of a Banker-Professional Agricultural Worker meeting at Gainesville. Chairman E. J. Folmar pointed out the fact that agriculture was basic to the economy and that every bank was affected. "Because of that fact we bankers must do all we can to promote its welfare."[64]

By 1950 the program of the Agricultural Committee was devoted to the annual agricultural conference at Gainesville, regional farm credit meetings, presentation of soil conservation awards to outstanding farmer-conservationists, awarding of ten scholarships to 4-H Club boys and Future Farmers of America, and cooperation with all other public agencies and private organizations interested in agriculture.

In 1952, Chairman N. Ray Carroll of Kissimmee ably summarized the Association's program for youth when he wrote: "Young folks are important to agriculture and banking . . . Our Committee recommends continued and even greater effort in the direction of working with these young men. I might add, too, that we promoted a number of Board of County Commissioner Agricultural Scholarships to the University of Florida. This is a worthy use of our tax money."[65]

2. Public Education

Several references have been made to the interest of Florida bankers in public education. Further evidence of this interest was expressed in two resolutions adopted at the 1917 convention. The first resolution endorsed the recommendations of the State Board of Control for a budget of $700,000 for the higher educational institutions under their supervision and urged the Legislature to appropriate that amount. The resolution also commended the work of the county agricultural agents and the county home demonstration agents in their work with farmers and their families in the state.

The second resolution established a banker's loan fund for $200 loans to worthy students in home economics and agriculture at the state institutions of higher learning. A sum of $2,000 a year was appropriated by the Association for this fund, with the proviso that should there not be sufficient funds in the treasury, a special assessment upon each member would be made to take care of such loans as might be applied for.[66]

The following year the secretary reported that none of the loan fund had been used "and in view of the further fact that if this association undertakes to do any business for profit it will be compelled to make a return of income to the Government, I recommend that the fund be returned to the banks who paid the

assessment." The convention followed this suggestion and the loan fund was dissovled.[67]

At the 1919 convention L. L. Bean, Cashier of the First National Bank of Fort Meade, requested the Association to indicate a stand on the compulsory education bill before the legislature. Bean said that "if there is any one thing important for the economic good of the State of Florida, it is to educate its boys and girls . . . It is an economic necessity if we are going to take our place along side of the States of the North."[68]

Indicating continued support for public education, in 1922 the Association endorsed the constitutional amendment which permitted increase of millage of special school tax districts from three mills to ten mills.[69] In 1922 a committee on public education for Florida was organized with G. E. Currier, President of the Bank of Winter Park, as Chairman. At the 1923 meeting of the Association Currier reported he had appointed a chairman for each county "to see that the lectures as outlined by the Committee on Public Education of the American Bankers Association were delivered to the pupils in the schools of each county." The response, Currier reported, had been good: "The giving of the lectures is in itself a most interesting and worth-while work and my experience has been that the pupils give their enthusiastic and eager attention and ask questions intelligently."[70]

Late in 1923, the Executive Council heard of the great need of equipment for the Department of Economics of the University of Florida and the Council appointed J. R. Anthony, W. R. McQuaid, and W. O. Boozer to solicit contributions from the membership for this purpose. "Through the secretary's office there was subscribed by the membership $280 . . ." which was turned over to the Department of Economics.[71]

With the firm establishment of public education through tax support the interests of the Association have been turned to other aspects of social and economic life in the state which warrant the assistance and encouragement devoted to this segment of the general welfare for many years.

3. War Activities: First World War

At the 1917 convention the following message was read by President Conrad:

"To Woodrow Wilson, President of the United States, Washington, D. C.

"The Bankers of Florida, in Convention assembled, unanimously extend to you and to Congress their warm sympathy in the present crisis, and their hearty approval of your course, and we pledge our support to you in defense of our country against the Central Powers' invasion of our lives and rights."[72]

John T. Dismukes moved that the communication be sent by telegraph; the motion was adopted by a rising vote. The same convention adopted two resolutions pertaining to the war effort. The first, that the Association approved "the proposal of President Woodrow Wilson that the Government of the United States shall take the lead when, in his opinion, the suitable time arrives, in an effort to organize the Nations of the World in a League to enforce peace." The second, called on Governor Sidney J. Catts to bring about a conference for agricultural preparedness to be composed of leading bankers, editors, railroad men, business men, and farmers of the state to meet with the Agricultural College, Experiment Station, and county agricultural and home demonstration agents "to formulate plans" for increased production of agricultural crops.

At the annual meeting, in 1918, the afternoon of the first day was given over to a Liberty Loan Conference with Hollins N. Randolph, General Counsel of the Federal Reserve Bank of Atlanta, presiding. A description of "The Third Campaign" was given by Haynes McFadden of Atlanta. R. F. Mitchell reported for the drive in the Pensacola Zone, Fred W. Hoyt for Jacksonville, and J. A. Griffin for Tampa.[73] On the second day of the meeting many of the members took part in a Tampa Liberty Loan pageant and parade.

The following year, 1919, President J. A. Griffin devoted a large part of his annual address to: "the first particular task for the bankers of this State, and of the Nation, is floating the Victory Loan."[74] Griffin noted that during the four Liberty Loan drives of the first World War, the banks were a vital and importont part of the successful bond-selling campaigns. "The banks handled a very large percentage of the total number of sales of Liberty Bonds, collected the amounts of these subscriptions, transmitted the funds to the treasury of the government or its fiscal agents,

received and delivered the bonds, without any cost to the government or compensation to themselves, beyond the satisfaction of performing a useful and patriotic service. In addition to this service the banks of the State have been large purchasers of bonds, Treasury Certificates, and other war securities, and in addition have financed the purchase of a large amount of these securities for their customers and the public. It is just as important that the Victory Loan be successfully floated . . ."[75]

4. War Activities: Second World War

When the forty-eighth annual convention was held in May, 1941, the second World War had been in progress in the European Theater for nearly two years. Accent on the part played by the United States in national defense and lend-lease aid to the allied nations against the Axis powers of Germany and Italy was shown in convention addresses: "The Bankers' Responsibility in National Defense" by Thomas C. Boushall of Richmond, Virginia; "Training for Defense" by Major-General John C. Persons of Birmingham, Alabama; and "America's All-Out Effort for Defense" by Senator Claude Pepper of Florida.[76]

President Linton Allen announced in his annual address that: "In order to effectively and promptly perform any task alloted to us in this stupendous program, the Florida National Defense Loan Committee was organized with Frank Norris of Jacksonville as chairman. His committee was composed of the five group chairmen of the Association, thus utilizing the machinery already provided for just such activities."[77] The Association, in turn, resolved: "That the Florida Bankers Association assures the Secretary of the Treasury . . . that its member banks will cooperate in every possible way in the distribution of the Defense Savings Bonds."

In 1942, President J. LeRoy Dart announced the formation of a war activities committee with Linton Allen as chairman, thus accentuating the importance of the bankers' part in the war effort. At the 1942 meeting the Association adopted a six-point plan of action: financing the war, aid in war production, keeping the economic machine running, keeping the bank's own house in order, working in the local community, and reducing the number of legal holidays for the duration of the war.[78]

In 1943 and 1944 the major emphasis of the war activities committee was placed on assisting the membership to make

greater efforts toward winning the conflict. In 1944, President McEachern asked the committee to develop information on the renegotiation and cancellation of war contracts. Committee Chairman J. L. Dart reported to the 1944 convention with a bibliography of materials on these two subjects which was offered to the membership.[79]

The task of enumerating the contributions of the banks of Florida to the war effort would be impossible. However, these banks sold some eighty-five per cent of the bonds of the several loan drives, a major effort toward Florida's part in the war. Even after the conclusion of the conflict the contribution of the Association continued in promoting the further sale of bonds and in the work of the committee on service to war veterans.[80] Since 1946, this committee has acted in an advisory capacity between the Association and member banks, especially in regard to loan policies established under the several veteran's benefit laws with the guarantee loan features.[81] The completion of the separation of veterans from the armed services and their return to civil life posed many problems of a financial nature which this committee helped resolve for member banks. By 1949 the process was virtually finished and the committee disbanded.

5. Citrus Industry Committee

On the adoption of a new constitution in 1940, the Citrus Industry Committee became a standing committee of the Association. In its first report the Citrus Committee held that the bankers of the citrus areas could be of help to the industry, "not necessarily in the extension of credit, but in helping to solve the many problems that must be solved before the industry can again be put on a paying basis." Unequal freight rates were cited as one area where the bankers of the Association might back leading shippers and growers to secure "a better equalization of freight rates."[82]

In the following year the Citrus Committee held almost a dozen meetings through the citrus belt and conferred with growers, shippers and government agents. The committee, through its chairman, W. T. Bland of Orlando, "definitely came to the conclusion . . . that we, as bankers, should take a lot more interest in the grower and packer and try to get the industry, now to a large extent home-owned, to organize, not necessarily to advise

one organization above another, but simply to get every one engaged in this business organization-minded. Each and every banker, by educating himself in the many problems of this business of growing, packing and selling fruit and by discussing these problems with his customers, be he grower or packer, and urging them to get together, can be of tremendous influence for the good of the industry . . . As the situation stands today the citrus producer is not getting credit from a bank and because credit is available elsewhere, the bank is not only losing much profitable business, but is failing to supply the credit needs of the community."[83]

During World War II the Florida citrus industry enjoyed considerable prosperity due, in part, to government purchases of large supplies for the armed forces. In the years following the war, however, the reverse was true. By 1947 business leaders became concerned and the Citrus Committee of the Association organized in 1948 to seek some solution to return to prosperity to the industry. Chairman T. G. Mixson reported that the committee "held four meetings in strategic locations of the citrus belt, inviting growers, shippers, canners and buyers in the respective areas to these meetings."[84] From these, and other meetings, the committee reached two conclusions: (1) to recommend legislation to the 1949 legislature "governing the quality of fresh fruit shipped in interstate commerce and the description of the quality and type of merchandise to be printed on the labels of canned goods;" (2) to endorse the principles of the Florida Citrus Mutual, an organization of citrus growers designed to restore order from chaotic conditions through the control of quality and the sales and prices of fresh and canned fruit.

The following year Chairman H. F. Isted could state that the Citrus Code enacted by the 1949 legislature had "been found constitutional and during its brief operation has proved itself to be sound legislation and to the best interests of the industry."[85] Association support of the Florida Citrus Mutual in its establishment and operation likewise redounded to the benefit of the general welfare and Isted could state that the Mutual "is in process of proving that it is a necessary organization to the prosperity of the citrus industry and in fact to a large segment of the economy of the state."

The chairman also represented the Association in an "Eat More Citrus" campaign sponsored by the State Chamber of Commerce, and served as chairman of the state-wide group. In the years to the present the Association has continued to support the state citrus legal code, the Citrus Mutual and the industry at large through personal promotion.

In 1953, George G. Ware was instrumental in bringing the forces of the Association to bear on a case filed by the Federal Trade Commission "against the Florida Citrus Mutual, a non-profit organization which has been supported by the Florida Bankers Association. The Federal Trade Commission was seeking to outlaw Citrus Mutual as a monopolistic organization controlling citrus prices.

"After testimony by the Florida Bankers Association in behalf of Florida Citrus Mutual, the FTC voluntarily withdrew its case, and its attorney, Lynn Paulson, made this statement: 'From my investigation of the citrus problem, I am satisfied that Florida Citrus Mutual is a genuine grower organization, where the growers are making a sincere and worthwhile effort to solve their own problems and stabilize the industry.' "[86]

Recent activity of this committee has been toward the creation of a citrus contract and the trading of contracts on a national commodity exchange for the citrus industry.

6. Livestock Committee

Indicative of the increasing interest and importance of livestock in Florida in the post-world war II picture was the appointment of a separate committee for this activity in 1946. N. Ray Carroll of Kissimmee served as chairman of this new committee in both 1946 and 1947.[87] In the latter year the committee recommended that the Association appropriate $250.00 to be distributed as prizes to boys and girls at the annual shows held at the six state livestock pavilions for the Reserve Champion Exhibitor. Chairman Carroll concluded his 1947 report with a plea for more attention by bankers to livestock: "Right now—with hoof and mouth disease, reinfestation of cattle ticks, new grass planting, and the increased interest and activity of this important and growing industry, we should all strive to acquaint ourselves with the problems of these men and make ourselves more serviceable to them."[88]

Chairman N. Ray Carroll suggested in 1948 that the committees on livestock and agriculture be combined. He noted that "Cattle and hog prices have reached a new all-time high in Florida. This Association has contributed largely to the prosperity of this industry in the past, and we are proud of the part we have played in it . . . Livestock has improved tremendously in every particular in the past decade in this State, in breeding, in value, and in numbers. We have played a very important part in its success."[89] Carroll concluded his report with the prophecy that the banks would continue to maintain interest in the important enterprise of the livestock industry.

7. Forestry Committee

The Forestry Committee was authorized at the 1947 convention of the Association. President A. A. McKethan, in his annual address in 1948, summarized the work of the group when he said: "It has been established by this committee that due to the importance of the forestry industry in the State wih its one hundred million dollar income and fifty million dollar annual payroll, that if this industry is to be preserved, progressive and alert attention should be given to preserving and renewing our forests. To this end we as bankers can lend our moral, and under proper conditions, our financial support. It is my thought that in this field tremendous opportunities are available to Florida bankers."[90]

Under the chairmanship of George G. Ware of Leesburg, the committee actively promoted a campaign to "Keep Florida Green." The committee activated a two-part program for each bank to promote forestry in Florida: (1) determine lands available in each county for forestry and (2) promote tree planting and fire protection in every county.[91]

With the able and enthusiastic leadership of George Ware from the organization of the committee in 1947 until he relinquished the chairmanship in 1951 the forestry group of the Association made many valuable and lasting contributions to this increasingly important industry. In 1949, Ware reported that "at the time of our last convention, 12 counties in Florida were under fire protection, the result of 20 years' promotion of fire protection and reforestation. Last November, 18 additional counties exerted their influence in favor of having fire control."[92]

Ware noted that additional state money would be needed to support the expanding fire control program and "we recommend that this Association throw its wholehearted support in favor of the necessary appropriations." In the same report the committee urged the Association to seek revocation of the regulation under which national banks could give no loan value to that part of a farm growing timber. The committee requested assistance to bring about amendment of this ruling in order for national banks "to make loans on timber lands provided the timber is under recognized fire protection and the owner contracts to engage in approved forestry practice." The committee further asked for support to strengthen the School of Forestry at the University of Florida and for an enlargement of the committee since "at least 60 counties are potential forest areas."

In conclusion the 1948-1949 Forestry Committee urged "each member of this Association to exert his effort and his influence to have every available acre not otherwise employed put into the production of trees. It will pay enormous monetary rewards and, in addition, will be worth all of its cost for conservation of our water table, for protection of our game and wild life, for the preservation of our equable climate and for a beautification program of the greatest magnitude."

The 1949 convention endorsed the recommendation of the committee in regard to an amendment in the national bank ruling on farm loans involving timber and embodied the recommendation in a resolution to the Comptroller of the Currency.[93]

In 1949-1950 the committee sponsored a forestry conference at Gainesville at which more than sixty bankers, foresters and others attended a two-day meeting devoted to problems of planting and developing Florida's forests. Chairman Ware again called for Association support in the reforestation program and pointed out the great hazard of forest fires. He said: "We believe that because of the great economic importance to Florida of our forests, and the actual necessity of protecting the woods against wilfully set fires, this Association should consider a monetary reward fund to pay some nominal amount for the conviction of persons wilfully setting our woods afire."[94] The 1950 convention responded to Ware's request and resolved "that the Executive Committee of this Association be authorized and directed to budget the sum of $1,000 to be set aside in a Forest Fire Pro-

tective Fund for this Association year, and to offer such reward or rewards under such terms and conditions as the Executive Committee may determine."[95]

At the 1951 convention of the Association, Ware could report that additional counties had voted fire protection and that more than 12,600,000 acres of Florida forests were then under organized fire protection. He again asked for support of the reforestation program, noting that "more than 60 per cent of our land area in Florida is potential forest land . . . this economic opportunity presents a continuing challenge to the banks of Florida."[96]

The major activity of the forest committee, under the chairmanship of X. L. Pellicer, in 1951-1952 was the sponsorship of a Forestry Research Study. This study was a comprehensive compilation of the work of the Florida Forest Service with a report on the forest situation and the value of forests to the state, with a projection of the possibilities of the industry. Pellicer expressed the hope that member banks would furnish their forestry customers with copies of the report. He also gave recognition to the work of George G. Ware, who was appointed chairman of the Forestry Committee of the American Bankers Association.[97]

Pellicer reported distribution of the pamphlet, "Six Roads to Profit"; lists of forest fire laws mailed to county law enforcement agents, and two awards for the arrest and conviction of persons violating the state forest fire laws.

8. Industrial Committee

In recognition of Florida's great industrial potential and the pressing need for a balanced state economy as envisioned by Governor Fuller Warren's industrial program, President J. Carlisle Rogers appointed an Industrial Committee in 1951. The convention of that year voted approval of this action, and resolved that the Association would "continue its efforts in the direction of promoting the industrial development of our great state and that all bankers will be urged to cooperate at all times in working with the various agencies whose purpose is to develop and promote industry throughout Florida."[98]

In its first report, in 1951, Chairman Benton W. Powell stated that much of the effort of the committee would fall into the realm

of education. As projects the committee sought to unify thinking on industrial possibilities and promotion, to circulate information on legislation and finance affecting industry, to secure support for the Florida Industrial Development Council, and to promote interest in Florida's industrial potential through banker contacts with industrial engineers and financial houses.[99]

In 1952 Chairman Powell reiterated the aims and purposes of the industrial committee stated the previous year. The committee circularized information to the membership and participated in the several groups in relation to good-will toward industry and methods to attract and promote industry. "The work of your Committee during the year has been concentrated on a presentation to the Florida bankers of the part they must play in a comprehensive program for creating a positive attitude of helpfulnesss and understanding of industry's problems for the development of knowledge with which to sell and instilling the desire to sell the industrial possibilities of Florida, and for convincing the individual banker of the importance of his part in the promotion."[100]

The industrial committee, by continuing to promote the cooperation of the members of the Association, with all agencies, public and private, in matters of locating industries or the establishment of new industries within the state, could be cited as concrete results of this program.

From a small unrepresentative group of less than twenty bankers, the Florida Bankers Association has grown in sixty-six years into an organization of over two hundred members with an influence commensurate with the significance of the business represented. Working out in the open for its own interests and those of its patrons, the Association has generally dispelled the ancient suspicions held for banking by many people. By a definite contribution in service to the membership, the Association has secured almost one hundred per cent support of the commercial bankers of Florida. The contribution of the Association to the general welfare of the state has been related in the foregoing pages.

There are 216 banks maintained in Florida communities, owned by hundreds of different stockholders. Liberal returns

have been paid upon the investment in bank stock and interest rates have been established for depositors for their contributions toward the banking resources of Florida. The community has received a large measure of service from the banks at reasonable rates. The bank charges for services and for the use of their credit in the form of loans and discounts have been the incentive for banks to conduct business. Many other services are contributed by the banks to their patrons and to the community. The general record of the commercial banks of Florida is one of service which has gained almost universal patronage of the community.

The banker's point of view, and his sense of responsibility to the community, was expressed by Comer J. Kimball, of Miami, when he accepted the Presidency of the Florida Bankers Association in April, 1954: "Our association has a number of most worthy objectives and purposes, and I would like . . . to remind you of some of them:

1. To promote the general welfare and usefulness of banks and trust companies in the state of Florida;
2. To cultivate more intimate social and business relationships among the representatives of such institutions;
3. To collect and disseminate financial and economic information;
4. To promote unity of action in all matters affecting the common welfare of such institutions;
5. To conduct programs for the education of the public as to services offered by banks, and proper function of banks in their respective communities;
6. To create and offer scholarships to worthy students, and to encourage study and research in banking, agriculture, and other fields.

"We are a young association, in a young state, but we are both maturing rapidly. Our exceptional growth during recent years in population, industry, and financial resources has provided great opportunities, but with attendant problems as well . . .

Let us work actively together in a spirit of good will and full consideration of the views of others in order that we might add another milestone of accomplishment to the record of our fine association."[101]

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Chapter XIX

SUMMARY

1. BANKING THROUGH FLORIDA'S HISTORY

From the discovery of Florida in 1513 to the opening of the Bank of Florida at Tallahassee in 1828, the financial history of the state is found in the operations of public and private agencies for the extension of credit and circulation of currency and coin for economic enterprise. A number of banks were chartered by the Legislative Council during the Territorial Period until 1845; and three of these territorial banks were endowed with the public credit through the issuance of the "faith bonds" which were later repudiated. The experiences resulting from the operation of the territorial banks brought very stringent bank regulation in the first constitution and the legislative statutes of the state from 1845 to 1861. There were only three banks in operation at the time Florida seceded from the United States in 1861.

Florida's participation in the Civil War was disastrous to the economy of the state and the unsettled conditions of the Reconstruction Period were not conducive to economic rehabilitation. Banking institutions in these years were mainly private banks conducted by business men as representatives of, or correspondents for large banks in Atlanta, Charleston, and New York. The first national bank in Florida was opened in Jacksonville in 1874. By 1889, when the first modern state banking law was adopted in Florida, there were thirteen national banks with resources of $4,279,000.

The state banking law of 1889 liberalized the provisions under which state banks could be chartered. By 1899, ten years later, there were twenty-one state banks with resources of $3,862,000. The modern development of Florida has come since 1880 when there were but 270,000 people in the state. The real growth of the state came after 1885 when railroads began to penetrate the peninsula. Economic-wise, however, 1910 marks the year that Florida was "open for business," when there was a population density of 12.8 persons per square mile (population, 753,000; square miles, 58,666). By 1953 the population density had reached 55.7 persons per square mile, based on United States Census estimates for 1953 of 3,300,000 persons.

2. RECENT FLORIDA BANKING HISTORY

The expansion of the economy of Florida is broadly reflected in the development of Florida banking since 1934. In 1935, there were fifty national banks with resources of $216 million; by July, 1954, the number of national banks had grown to 71 with resources of $1,902 million. In 1935, there were 103 state banks with resources of $60 million; by July, 1954, the number of state banks had grown to 145 with resources of $978 million.

In 1953 the per capita income of Florida residents was higher than that of any other southeastern state, amounting to $1,368 income per capita. The record of the economy of Florida stood in marked contrast to most of the other states in the Sixth Federal Reserve District: income in Florida increased moderately from the level of the first half of 1953, along with most other measures of economic activity. The *Monthly Review of the Federal Reserve Bank of Atlanta*, for July, 1954, reported a rise of nonagricultural employment in Florida of three per cent for the early months of 1954 over 1953; manufacturing employment and manufacturing payrolls gained almost similar percentages; while the value of new construction contracts gained 36 per cent for the first half of 1954.

Florida farm income gained two per cent in the first five months of 1954 over 1953, with receipts from livestock sales up considerably. The *Review* stated that: "Consumer spending was probably higher than it was last year. Department store sales through May totalled slightly less . . ." Tax collections were higher for gasoline and sales taxes and bank debits gained seven per cent for the first half of 1954 over 1953.

"Reflecting the high level of business activity, total deposits at Florida member banks of the Federal Reserve System increased 7 per cent between May, 1953, and May, 1954, compared with the Sixth District gain of 6 per cent. Total loans rose 13 per cent in Florida, almost double the Sixth District rise, and bank investments grew 5 per cent in both the state and the District."

3. BANKING AND FLORIDA'S FUTURE

There is nothing in Florida's record for the last several years to suggest anything but continued growth of the state's economy.

With the natural assets of a warm winter climate and a relatively cool summer climate the state can continue to develop the tourist trade, which presently accounts for a third of the income. The continuing development of agricultural, industrial, and other enterprise points to further expansion of a strong and sound economy for the state. There is every reason to believe that the commercial banking institutions will not only share in, but will foster the future growth of the peninsula state.

TABLE XXVIII

COMPARISON OF TOTAL ASSETS AND CAPITAL ACCOUNTS IN TEN SOUTHERN STATES

June 30, 1950

(in thousands of dollars)

	State	*Total Assets*	*Total Capital Accounts*
1	Tennessee	$2,025,019	$131,804
2	Florida	2,018,798	121,776
3	Virginia	1,993,455	154,468
4	North Carolina	1,731,004	128,916
5	Georgia	1,712,133	123,971
6	Kentucky	1,559,977	117,985
7	Alabama	1,262,915	91,543
8	West Virginia	1,012,471	81,575
9	Mississippi	770,748	52,723
10	South Carolina	665,359	43,443

Source: F. D. I. C. Report No. 33.

June 30, 1954

(in thousands of dollars)

	State	*Total Assets*	*Total Capital Accounts*
1	Florida	$2,911,876	$181,435
2	Virginia	2,556,897	197,837
3	Tennessee	2,508,967	175,593
4	Georgia	2,217,911	171,054
5	North Carolina	2,201,215	172,727
6	Kentucky	1,874,109	150,156
7	Alabama	1,562,445	118,649
8	West Virginia	1,153,328	101,905
9	Mississippi	936,691	71,082
10	South Carolina	838,802	60,975

Source: F. D. I. C. Report No. 41.

TABLE XXIX

SELECTED ASSETS AND LIABILITIES OF ALL BANKS IN FLORIDA: JUNE 30, 1900 - 1954

(in thousands of dollars)

	Number of Banks	Loans	Investments	Assets	Deposits	Capital Accounts
1900	38	7,480	2,005	14,462	10,934	2,930
1901	37	7,600	1,922	17,256	13,149	3,129
1902	45	9,998	2,438	19,102	14,166	3,834
1903	52	12,244	3,035	23,291	17,850	4,408
1904	58	15,711	4,033	28,483	21,009	5,726
1905	75	21,776	4,290	35,776	25,323	7,681
1906	97	28,396	5,116	46,717	34,670	9,281
1907	126	33,471	6,624	53,446	39,137	10,518
1908	142	30,928	7,847	51,898	35,248	11,684
1909	138	33,797	8,191	59,026	41,405	12,263
1910	157	44,238	8,244	73,573	53,167	14,397
1911	173	49,777	8,839	82,599	61,101	15,539
1912	199	55,140	10,809	94,479	68,299	18,828
1913	232	62,576	12,589	106,566	76,886	20,763
1914	258	66,533	12,844	112,804	81,982	22,563
1915	256	63,610	13,119	106,593	73,901	22,768
1916	252	68,470	15,695	125,785	95,151	22,976
1917	257	69,187	20,400	136,701	107,251	22,521
1918	253	84,764	30,624	156,575	123,143	21,964
1919	251	93,308	49,142	194,419	157,700	22,014
1920	263	137,218	44,031	245,395	209,140	25,112
1921	272	130,258	43,077	225,907	184,562	28,153
1922	280	132,754	46,936	242,431	202,539	29,864
1923	289	160,934	58,394	291,817	249,454	32,460
1924	299	189,667	62,601	346,763	298,500	36,597
1925	318	335,202	99,823	658,326	602,614	45,646
1926	335	379,114	121,021	712,277	624,639	66,084
1927	325	277,871	123,512	561,459	469,023	67,482
1928	300	234,975	119,793	486,177	405,912	64,486
1929	255	189,523	121,394	417,128	338,582	56,543
1930	205	108,502	103,617	305,884	249,773	43,390
1931	190	75,264	113,637	270,457	222,515	39,102
1932	181	58,272	118,609	237,797	190,951	36,123
1933	140	43,093	117,712	220,968	179,195	30,188
1934	149	43,956	124,227	250,914	210,359	31,493
1935	148	51,166	127,161	279,549	243,642	32,596
1936	156	60,641	147,904	339,605	300,919	34,760
1937	163	76,455	167,401	383,013	344,707	37,162
1938	166	81,779	142,582	370,734	329,203	40,593

SELECTED ASSETS AND LIABILITIES OF ALL BANKS IN FLORIDA: JUNE 30, 1900 - 1954

(in thousands of dollars)

	Number of Banks	*Loans*	*Investments*	*Assets*	*Deposits*	*Capital Accounts*
1939	167	87,483	151,778	437,487	393,332	43,042
1940	170	105,179	157,835	501,321	454,385	45,359
1941	170	133,919	189,196	595,410	544,284	49,351
1942	170	128,706	241,003	644,199	587,649	54,722
1943	171	108,134	532,593	1,036,597	976,542	58,426
1944	170	184,201	754,953	1,410,042	1,342,366	64,927
1945	171	168,687	979,412	1,630,459	1,550,725	74,011
1946	175	238,457	1,185,948	1,927,765	1,834,337	86,885
1947	184	289,008	1,026,565	1,781,504	1,678,563	97,169
1948	186	327,649	1,003,114	1,781,447	1,670,897	104,400
1949	190	330,285	1,008,176	1,816,763	1,696,821	112,775
1950	196	408,092	1,107,048	2,028,216	1,895,069	124,284
1951	203	495,885	1,155,996	2,219,211	2,072,418	135,761
1952	211	559,212	1,279,355	2,482,800	2,318,566	150,835
1953	215	651,070	1,345,551	2,687,705	2,507,228	163,101
1954	223	751,189	1,416,048	2,923,151	2,718,115	184,309

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The bibliography which follows is selective in that the materials included are those which were consulted several times. Other materials, which were consulted only a few times, may be located in the chapter notes.

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